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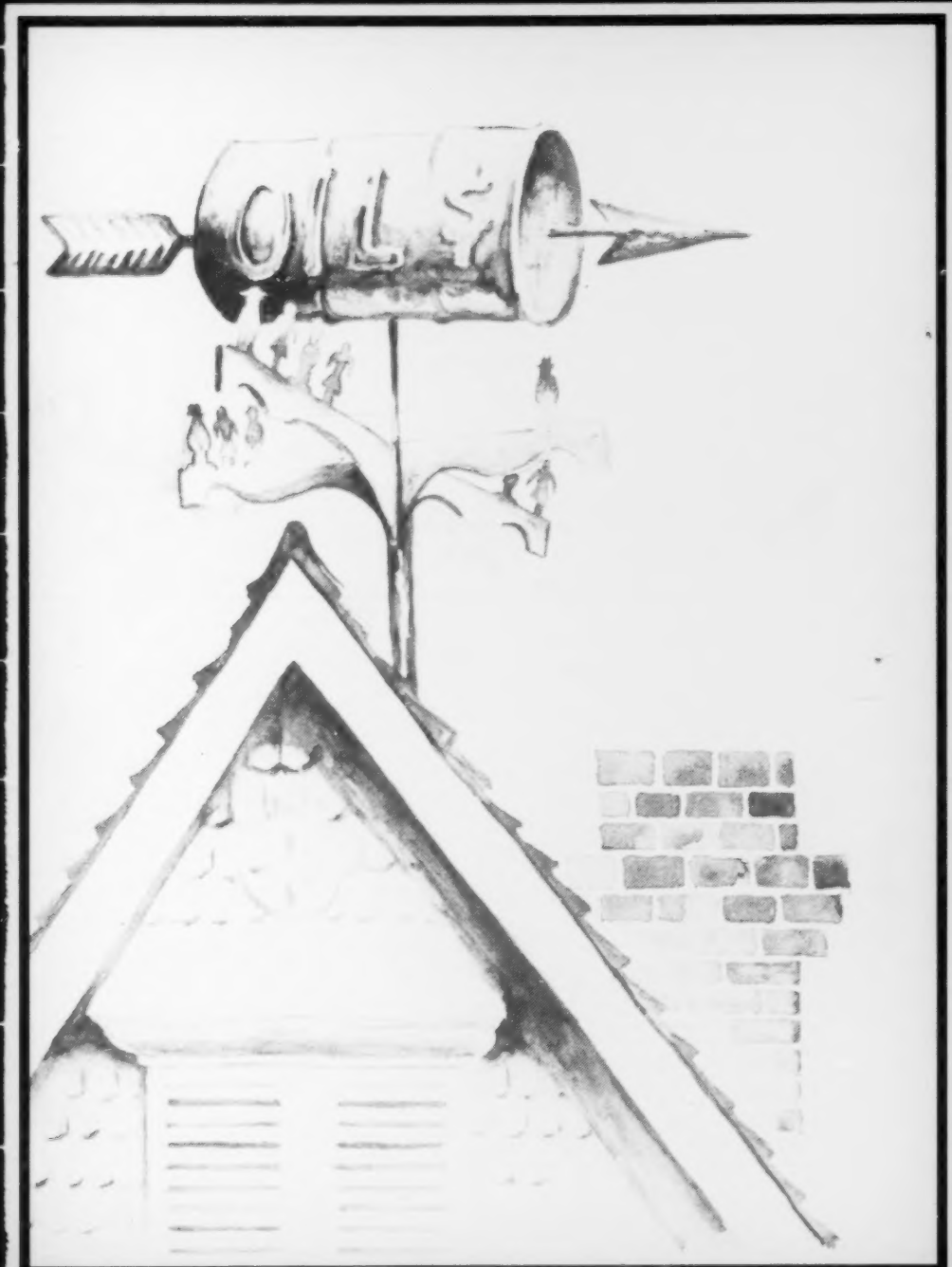
ALASKA ECONOMIC TRENDS

August 1987



State Government Employment 1979-1987

Economic Impacts of Alaska's State Budget

Alaska State Spending—How High and Why?

Alaska State Government Employment Profile

Alaska's Employment Scene

Alaska Economic Trends

Steve Cowper, Governor, State of Alaska

Jim Sampson, Commissioner
Department of Labor

Frank Spargo, Director
Administrative Services

Chuck Caldwell, Chief
Research and Analysis
Edward Eboch, Ph.D., Editor

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Alaska Economic Trends is a monthly publication dealing with economic information analysis and issues of Alaska. Opinions expressed by guest authors may not be consistent with those of the Alaska Department of Labor.

We welcome contributions on current economic issues from our readers. For a copy of our editorial policy contact Dr. Edward W. Eboch, Editor, Alaska Economic Trends, Alaska Department of Labor, P.O. Box 25501, Juneau, Alaska 99802-5501.

Economic Impacts of Alaska's State Budget

By Edward Eboch

Alaska's economy has been rocked by employment losses caused by plummeting oil prices. The oil industry reduced exploration and development efforts, resulting in a drop in their work force and associated construction employment. With less revenue available from petroleum, state government has reduced its operating and capital budgets the past several years. Now anticipation is centered on the impact of the most recent cuts in the Fiscal Year 1988 (FY88) budget.

Table 1
State of Alaska
Appropriations Totals
($ Millions)

	FY79	FY80	FY81	FY82	FY83	FY84	FY85	FY86	FY87	FY 88 (Preliminary)
Operating Agencies (Auth.) 1/										
Unrestricted General Funds	$851.7	$959.6	$1,364.3	$1,706.2	$1,897.8	$1,958.0	$2,110.5	$2,116.5	$1,844.1	$1,764.6
Other Funds	297.3	349.4	393.5	476.8	539.9	479.4	575.2	672.0	666.8	677.0
Total Operating Funds	1,149.0	1,309.0	1,757.8	2,183.0	2,437.7	2,437.4	2,685.7	2,788.5	2,510.9	2,441.6
Debt Service 2/										
Unrestr. Gen. Fund (G.O. Bond)	59.8	75.2	97.4	102.4	143.6	178.6	169.5	163.3	155.0	148.0
Other Funds (Int. Airport R.F.)	1.9	1.9	2.6	1.8	2.0	2.0	5.6	5.6	10.2	8.4
Total Debt Service	61.7	77.1	100.0	104.2	145.6	180.6	175.1	168.9	165.2	156.4
Capital (Auth.) 3/										
Unrestricted General Funds	171.0	92.0	565.2	1,164.9	470.1	778.4	1,241.9	471.4	337.6	100.7
Other Funds	338.4	81.7	414.6	72.4	239.7	398.5	192.1	431.7	438.3	255.3
Total Capital Funds	509.4	173.7	979.8	1,237.3	709.8	1,176.9	1,434.0	903.1	775.9	356.0
Loan Programs (Auth.)										
Unrestricted General Funds	14.0	33.5	560.1	471.8	337.0	171.9	140.0	80.4	61.0	63.6
Other Funds	0.0	0.0	0.7	1.0	1.0	20.4	0.4	0.0	6.5	10.9
Total Loan Funds	14.0	33.5	560.8	472.8	338.0	192.3	140.4	80.4	67.5	74.5
Total										
Unrestricted General Funds	1,096.5	1,160.3	2,587.0	3,445.3	2,848.5	2,086.9	3,661.9	2,831.6	2,397.7	2,076.9
Other Funds	637.4	433.0	811.4	552.0	782.6	900.3	773.3	1,109.3	1,121.8	951.6
Total Funds	1,733.9	1,593.3	3,398.4	3,997.3	3,631.1	3,987.2	4,435.2	3,940.9	3,519.5	3,028.5
Extraordinary Items										
Unrestricted General Funds	0.0	0.0	2,309.5	1,167.0	708.3	300.0	510.0	138.6	0.0	250.0
Other Funds	0.0	0.0	0.0	0.0	41.0	198.9	155.1	403.8	544.5	436.2
Total Extraordinary Items	0.0	0.0	2,309.5	1,167.0	749.3	498.9	665.1	542.4	544.5	686.2
Total										
Unrestricted General Funds	1,096.5	1,160.3	4,896.5	4,612.3	3,556.8	3,386.9	4,171.9	2,970.2	2,397.7	2,326.9
Other Funds	637.4	433.0	811.4	552.0	823.6	1,099.2	928.9	1,513.1	1,666.3	1,387.8
Grand Total	$1,733.9	$1,593.3	$5,707.9	$5,164.3	$4,380.4	$4,486.1	$5,100.8	$4,483.3	$4,064.0	$3,714.7

1/ Agency "adjusted base" totals plus one-time, special and supplemental operating appropriations.
This category includes Local School Debt Retirement (Education, Municipal Assistance and Revenue Sharing (DCRA).
FY79 and FY80 figures are estimated from Executive Budget Books.
FY87 revised authorizations plus supplemental appropriations.
FY88 preliminary post-veto totals from 1987 session include fiscal notes, special operating appropriations and in HB 29 (pre-veto) operating appropriations; because the outcome is unknown, FY88 totals exclude the labor negotiations increment (sec. 22 of Ch. 95, SLA 87).

2/ FY79-84: Actual payments for G.O. debt retirement allocated to agencies. FY85-88: Debt service authorizations.

3/ Session totals; OMB has adjusted some figures to reflect repeals and reappropriations and the definition of capital projects enacted in AS 37.07.120(4) (Ch. 34, SLA 83).

Source: State of Alaska, Office of Management and Budget, Division of Policy.

Table 2
Alaska State Government
FY88 Comprehensive Operating Summary
of Agency Funding
(000's)

Preliminary Totals

Department	Unrestricted General Funds	Other Funds	Total Funds
Governor	$ 15,062.1	$ 2,285.4	$ 17,347.5
Administration	146,425.2	44,869.3	191,294.5
Law	24,000.7	6,030.9	30,031.6
Revenue	21,495.9	27,284.5	48,780.4
Education	585,181.1	83,706.6	668,887.7
Health & Social Services	226,687.7	130,055.1	356,742.8
Labor	8,295.9	39,439.5	47,735.4
Commerce & Economic Development	34,705.3	23,798.2	58,503.5
Military & Veterans Affairs	10,729.2	5,165.0	15,894.2
Natural Resources	36,791.2	14,209.0	51,000.2
Fish & game	35,849.0	31,002.0	66,851.0
Public Safety	62,750.2	4,319.0	67,069.2
Transportation & Public Facilities	143,401.9	115,360.0	258,761.9
Environmental Conservation	11,234.8	4,766.3	16,001.1
Community & Regional Affairs	123,697.8	23,025.7	146,723.5
Corrections	75,224.3	4,501.7	79,726.0
University of Alaska	137,590.7	116,919.3	254,510.0
Alaska Court System	37,861.2	0.0	37,861.2
Legislature	27,607.3	228.8	27,836.1
Grand Total Operating	$1,764,591.5	$676,966.3	$2,441,557.8

Source: State of Alaska, Office of Management and Budget, Division of Budget Review.

For every $100 million drop in state spending, an average of 2,000 jobs are lost to the Alaska economy.

The good news is that the FY88 state budget is better than the one used in making the economic forecast in April's issue of *Alaska Economic Trends*. The bad news is that there is still a reduction in state spending so additional employment losses are anticipated.

With Alaska's state government FY88 budget (for the period 7/1/87-6/30/88) approved the preliminary impacts of budget changes are now available. While it is impossible to give a detailed breakdown of the state's budgets an overview of the changes that affect the state and local communities is possible.

Table 1 gives an historical perspective of Alaska's budgets while Table 2 gives the operating budget by agency. The major change the past several years has been less funding for capital projects, loan programs, and extraordinary items.

The other funds category in the operating and capital budgets are primarily federal funds and dedicated fees, such as university fees and tuition, revolving loan funds, and state corporation receipts (Alaska Housing Finance Corporation) which continue to grow over time. Extraordinary items include appropriations for permanent fund dividend payments, special appropriations to the Permanent Fund, legal settlements, and other special appropriations. Extraordinary items, with the exception of the permanent fund dividend appropriation, have had little impact on economic growth of Alaska.

Statewide Impacts

While the entire economic impact of the state budget cannot be determined some general conclusions can be made. For example, changes in funding and anticipated reductions in employment by department can help determine the approximate loss in employment statewide.

Besides direct state employment, jobs are created through expenditures for capital projects; educational funding, municipal revenue sharing, and capital grants to municipalities; programs contracted to the private sector; and state expenditures for materials, supplies, and travel.

From work done by Scott Goldsmith[1] with the Institute of Social and Economic Research (ISER), for every $100 million drop in state spending, an average of 2,000 jobs are lost to the Alaska economy. The number of jobs lost depends on whether the reductions come from the operating budget or the capital budget, as well as on the programs cut or the type of capital projects undertaken. This suggests a loss of approximately 6,000 jobs statewide, in both the public and private sector, as a result of the change in the state's combined FY88 capital and operating budget from the FY87 budget.

While it is possible to make estimates of the direct loss in state government employment from all budget cuts, employment lost due to a change in capital expenditures will depend on the type of projects cut. The changes in the operating and capital budgets are anticipated to reduce permanent full time employment by 818 while increasing permanent part time employees by 131 (Table 3). The net effect is a loss of approximately 800 full time equivalent employees. Estimates of the multiplier for the in-

Table 3
Alaska State Government
Positions by Department

Department	FY86 Authorized	FY87 Authorized	FY88 Conference Committee	Change FY86 to FY87	Change FY87 to FY88
Office of the Governor					
Full-time	212	203	196	-9	-7
Part-time	8	8	7	0	-1
Administration					
Full-time	1,143	1,092	1,008	-51	-84
Part-time	102	89	98	-13	9
Law					
Full-time	361	365	315	4	-50
Part-time	7	8	7	1	-1
Revenue					
Full-time	415	395	391	-20	-4
Part-time	27	27	25	0	-2
Education					
Full-time	474	443	387	-31	-56
Part-time	103	102	103	-1	1
Health and Social Services					
Full-time	1,650	1,692	1,630	42	-62
Part-time	93	88	130	-5	42
Labor					
Full-time	602	622	592	20	-30
Part-time	179	174	202	-5	28
Commerce and Economic Development					
Full-time	447	412	365	-35	-47
Part-time	16	22	19	6	-3
Military and Veterans' Affairs					
Full-time	99	97	95	-2	-2
Part-time	8	10	8	2	-2
Natural Resources					
Full-time	839	749	568	-90	-181
Part-time	266	261	333	-5	72
Fish and Game					
Full-time	916	744	714	-172	-30
Part-time	890	911	868	21	-43

(continued)

direct and induced effect of the loss in direct state employment suggest an additional 800 or more jobs will be lost in the economy.

The reductions in the capital budget will result in an additional loss of employment of approximately 4,000 according to ISER.[2] For every $100 million in state spending for capital projects ISER estimates that 500 to 600 direct jobs are created in the economy. By inference a reduction of $100 million in state capital appropriations means a loss of 500-600 direct jobs. The indirect and induced effect approximately doubles the number of jobs lost although there is some evidence that the multiplier effect is somewhat less in down turns than in growth periods.

In addition, there will be jobs lost in local communities due to reduced funding to communities. The combined effects of the change in the state's budget, regardless of the method use, suggests a loss of approximately 6,000 jobs in the economy over the next year due to changes in state spending. This loss in employment will occur regardless of the price of oil since the budgets are unlikely to change even if revenues exceed current appropriated funds.

Local Impacts

Based on the April revised budget an estimate of the loss in direct state employment by election district is presented in Table 4. Although these numbers exceed the final budgeted numbers they do give an order of magnitude of state employment reduction by election district. While the impacts of reductions in state employment are relatively easy to measure the impacts of changes in capital appropriations depend on a number of factors.

Much of the previous disparity among election districts, on a per capita ba-

Table 3 (continued)
Alaska State Government
Positions by Department

Departmernt	FY86 Authorized	FY87 Authorized	FY88 Conference Committee	Change FY86 to FY87	Change FY87 to FY88
Public Safety					
Full-time	873	857	751	-16	-106
Part-time	58	75	79	17	4
Transportation and Public Facilities					
Full-time	2,940	2,838	2,783 1/	-102	-55
Part-time	980	988	1,015 1/	8	27
Environmental Conservation					
Full-time	245	247	237	2	-10
Part-time	11	22	23	11	1
Community and Regional Affairs					
Full-time	199	194	174	-5	-20
Part-time	4	2	3	-2	1
Corrections					
Full-time	986	1,040	1,150	54	110
Part-time	0	0	0	0	0
University of Alaska					
Full-time	3,561	3,477	3,312	-84	-165
Part-time	313	296	287	-17	-9
Alaska Court System					
Full-time	598	606	610	8	4
Part-time	34	36	36	2	0
Legislature					
Full-time	347	326	303	-21	-23
Part-time	36	41	48	5	7
TOTAL					
Full-time	16,907	16,399	15,581	-508	-818
Part-time	3,135	3,160	3,291	25	131

1/ Adjusted by Sec. 18, Ch. 95, SLA 87: Full Time - Add 116; Part Time - Delete 49

Source: State of Alaska, Office of Management and Budget, Division of Budget Review.

Kenai, Cook Inlet and the Fairbanks and Interior Highways election districts had some of the largest single projects.

sis, can be attributed to geographical cost differences which increased capital appropriations to rural districts. Now, however, after several years of massive state spending on capital projects, federal funds have reemerged as the dominant component of capital budgets. The location of federal projects has widened per capita disparity of capital dollars, especially considering the cost differences between districts, usually to the benefit of urban districts.

The dominance of federal project dollars explains why District 5 (Kenai, Cook Inlet) had an increase in capital appropriations and District 17 (Interior Highways) and District 18 (Fairbanks) suffered relatively small losses in capital appropriations (Table 5). The Sterling highway project represents over 87% of the funds for District 5. The largest single capital appropriation, $27 million was for the Fairbanks-Geist Road extension. The Fairbanks and Interior Highways election districts also had some of the other largest single projects—usually highway improvements.

Capital appropriations by election district for FY88 represents only 72% of total capital appropriations. The other 28% is referred to as multi-district appropriations although occasionally the community that is the beneficiary can be identified.[3] The multi-district capital appropriations range from weatherization and energy conservation, community block grants, general fund match for federal aid highways, engineering studies, marine highway maintenance, to

Table 4
April FY88 Revised Budget 1/
Employment Changes by Election District

Election District	Permanent Positions	FY87 Auth	FY88 Revised	Net Change	% Change
District 1 (Ketchikan, Wrangell, Petersburg)	Full Time	310	299	-11	-3.5
	Part Time	174	181	7	4.0
District 2 (Inside Passage, Cordova)	Full Time	51	40	-11	-21.6
	Part Time	77	77	0	0.0
District 3 (Baranof, Chichagof)	Full Time	191	172	-19	-9.9
	Part Time	70	75	5	7.1
District 4 (Juneau)	Full Time	3,341	3,029	-312	-9.3
	Part Time	364	403	39	10.7
District 5 (Kenai, Cook Inlet)	Full Time	395	364	-31	-7.8
	Part Time	172	171	-1	-0.6
District 6 (North Kenai, South Coast)	Full Time	359	537	178	49.6
	Part Time	167	170	3	1.8
District 7-15 (Anchorage)	Full Time	5,443	4,977	-466	-8.6
	Part Time	651	732	81	12.4
District 16 (Matanuska-Susitna)	Full Time	615	555	-60	-9.8
	Part Time	130	149	19	14.6
District 17 (Interior Highways)	Full Time	175	153	-22	-12.6
	Part Time	188	183	-5	-2.7
District 18-21 (Fairbanks)	Full Time	3,186	2,988	-198	-6.2
	Part Time	465	532	67	14.4
District 22 (North Slope, Kotzebue)	Full Time	97	71	-26	-26.8
	Part Time	34	22	-12	-35.3
District 23 (Norton Sound)	Full Time	175	158	-17	-9.7
	Part Time	69	84	15	21.7
District 24 (West Interior Rivers)	Full Time	86	71	-15	-17.4
	Part Time	71	80	9	12.7
District 25 (Lower Kuskokwim)	Full Time	233	213	-20	-8.6
	Part Time	50	52	2	4.0
District 26 (Bristol Bay, Aleutian Islands)	Full Time	76	70	-6	-7.9
	Part Time	128	133	5	3.9
District 27 (Kodiak, East Alaska Peninsula)	Full Time	176	158	-18	-10.2
	Part Time	126	130	4	3.2
Multi-District	Full Time	36	32	-4	-11.1
	Part Time	0	0	0	0.0
TOTAL	Full Time	14,945	13,887	-1,058	-7.1
	Part Time	2,936	3,174	238	8.1

1/ The change in approved appropriations will increase the number of positions by election districts. Contact the State of Alaska, Office of Management and Budget, Division of Budget Review for the most current estimates of FY88 positions by election districts.

This Report does not include Marine Highway vessel crews, or employees of the Court System or the Legislature.

Source: State of Alaska, Office of Management and Budget, Division of Budget Review.

other projects and studies. While it is impossible to determine the exact communities effected by reductions in multi-district funds the nature of the projects suggest the urban areas will take the brunt of the losses.

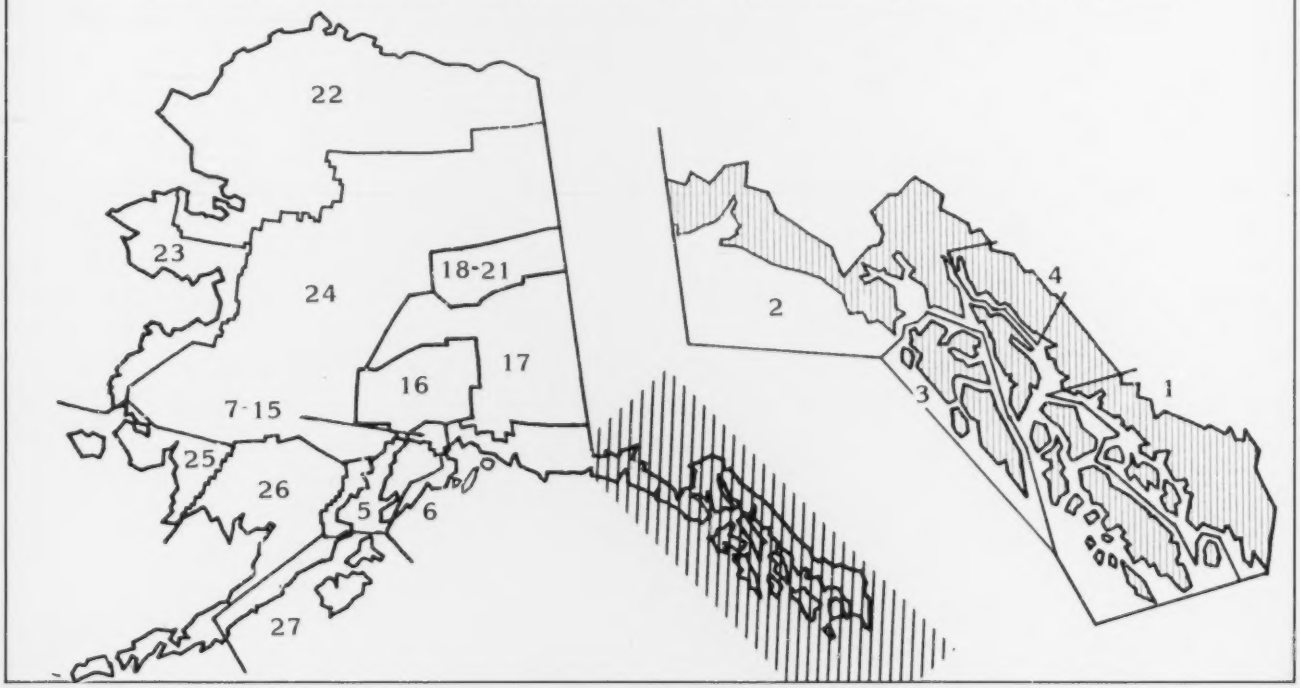
At first blush it appears that the state's educational support through the Alaska Public School Foundation Funding Program (Table 6) has increased in FY88 over FY87. School districts are now required to pick up the cost of their retirement systems which means that total state support in FY88 is approximately equal to FY87 support. While total support has not changed appreciably the change in the funding formula will ef-

Table 5
Alaska State Government
Capital Appropriations by Election District
Fiscal Years 1987 & 1988

	FY87 Total Funds	FY88 Total Funds	Percent Change
District 1 (Ketchikan, Wrangell, Petersburg)	$ 17,184.9	$ 9,306.2	-46
District 2 (Inside Passage, Cordova)	32,368.6	11,007.7	-66
District 3 (Baranof, Chichagof)	9,026.7	1,154.0	-87
District 4 (Juneau)	15,528.0	7,687.6	-50
District 5 (Kenai, Cook Inlet)	11,371.3	14,216.1	25
District 6 (North Kenai, South Coast)	14,842.8	1,233.0	-92
District 7-15 (Anchorage)	221,351.4	65,866.7	-70
District 16 (Matanuska-Susitna)	23,202.2	12,443.0	-46
District 17 (Interior Highways)	33,979.8	32,478.8	-04
District 18-21 (Fairbanks)	80,393.2	57,700.8	-28
District 22 (North Slope, Kotzebue)	20,834.7	6,681.7	-68
District 23 (Norton Sound)	35,065.9	8,412.8	-76
District 24 (West Interior Rivers)	29,710.9	5,734.1	-81
District 25 (Lower Kuskokwim)	13,441.4	5,372.0	-60
District 26 (Bristol Bay, Aleutian Islands)	31,350.0	11,438.2	-61
District 27 (Kodiak, East Alaska Peninsula)	13,340.4	4,015.2	-70
Multi-District	172,915.2	98,089.7	-43
TOTAL	$775,907.4	$352,837.6	-55

This table shows capital appropriations of the 1986 Legislature by election district. This list includes money for State-owned and operated facilities, as well as grants to municipalities and other local entities. Projects located in more than one election district are listed as multi-district.

Source: FY87 data is from: State of Alaska, 1986 Alaska State Appropriations Digest, Office of Management and Budget, Division of Policy. FY88 data is from: State of Alaska, Office of Management and Budget, Division of Budget Review.



fect individual communities differently.

Operating expenditures for education vary considerably on a per capita basis among election districts as a result of economies of scale enjoyed by the larger urban school districts. The new foundation funding formula has resulted in a new distribution of funds by community. Some communities have benefited by this change while others have had their funding reduced. The larger school districts will be able to adjust to this reduced funding support easier. They are also

Table 6
State of Alaska
Department of Education
Public School Foundation Program
Fiscal Year 1987 and 1988

School District	Revised/Final State Aid FY87 ($ Thousands)	FY88 Proposed State Aid ($ Thousands)	Percent Change
Adak	$ 1,923	$ 2,196	14
Alaska Gateway	3,628	4,349	20
Aleutian Region	1,241	1,351	9
Anchorage	116,111	119,766	3
Annette Island	1,409	1,128	-20
Bering Strait	10,300	11,098	8
Bristol Bay	1,851	1,439	-22
Chatham	2,101	2,045	-3
Chugach	1,241	1,461	18
Copper River	3,529	4,491	27
Cordova	2,037	2,126	4
Craig	1,454	1,266	-13
Delta Greely	4,085	4,842	19
Dillingham	3,396	2,482	-27
Fairbanks	42,223	46,474	10
Galena	1,412	1,006	-29
Haines	1,939	1,952	1
Hoonah	1,445	1,342	-7
Hydaburg	829	975	18
Iditarod	4,537	4,115	-9
Juneau	14,416	13,969	-3
Kake	1,279	1,116	-0.13
Kashunamiut	1,337	1,448	8
Kenai	27,228	28,914	6
Ketchikan	7,379	8,262	12
King Cove	1,165	1,159	-1
Klawock	1,110	1,081	-3
Kodiak	11,197	12,429	11
Kuspuk	3,972	3,555	-10
Lake & Peninsula	4,375	4,327	-1
Lower Kuskokwim	21,252	26,032	22
Lower Yukon	7,608	9,626	27
Mat-Su	26,844	32,075	19
Nenana	1,090	1,653	52
Nome	5,098	4,478	-12
North Slope	8,298	6,663	-20
Northwest Arctic	11,011	12,620	15
Pelican	538	604	12
Petersburg	2,548	2,689	6
Pribilof	842	1,230	46
Railbelt	3,275	3,041	-7
Sand Point	852	1,037	22
Sitka	5,403	6,190	15
Skagway	627	839	34
Southeast Island	3,671	4,014	9
Southwest Region	4,010	4,640	16
St. Mary's	1,372	1,280	-7
Tanana	1,008	871	-14
Unalaska	1,111	1,020	-8
Valdez	3,110	2,545	-18
Wrangell	2,107	2,348	11
Yakutat	1,135	1,071	-6
Yukon Flats	4,600	4,988	8
Yukon-Koyukuk	5,786	5,404	-7
Yupiit	3,391	2,806	-17
Cent. Corresp. Study			
Totals	$406,736	$431,928	6

Note: Communities are now required to assume the cost of their retirement programs estimated at approximately $21 million.

Source: Alaska Department of Education.

more likely to be able to replace this loss of funds from local revenues.

The additional burden of having to pay for their own retirement system could cause problems among districts that suffered a loss in their foundation formula funding. Even among districts that gain funding the retirement system obligation could cause employment drops. Fortunately, major school construction is largely over so the loss of debt support should not impact communities that much.

State revenue sharing and municipal assistance data for individual communities will not be available for Fiscal Year 1988 until early 1989, however, it is possible to estimate the loss of state support by community. Both municipal assistance and revenue sharing have been reduced by approximately 15% (Table 7). Municipal assistance is based on population so each community (July 1987 population estimates will determine the FY88 funds) can expect to lose approximately 15% of their municipal assistance funds unless their population changed radically from the statewide average. The formula for state revenue sharing is more complicated and depends on local revenues, public roads, health facilities, as well as other factors.[4] As a result, smaller communities will have their funding reduced little or not at all. Since the majority of funds go to the larger communities, the loss in most communities state revenue share will be approximately 15% less than funding received in FY87.

Anchorage will have the greatest loss in state jobs, and although state government employment represents a much smaller percent of its work force than other communities, the loss in capital appropriations and local assistance means that the state's largest community will suffer as a result of state cutbacks. Anchorage also is a regional center for many other communities of the state so that losses elsewhere in the state will impact Anchorage. As a conservative estimate Anchorage will lose 2,500 jobs as a result of the changes in the state budget, a more than 2% loss in employment.

Table 7
Alaska State Government
State Revenue Sharing/Municipal Assistance
Fiscal Year 1987 Final Report

City	Municipal Assistance	State Revenue Sharing	Total
Alakanuk	$ 60,249	$ 64,304	$ 124,553
Municipality of Anchorage	29,509,362	14,783,217	44,292,579
Anderson	78,119	34,612	112,731
Aniak	54,554	100,787	155,341
Barrow	328,617	25,003	353,620
Bethel	507,972	641,725	1,149,697
Bristol Bay Borough	139,878	108,796	248,674
Cordova	294,861	431,913	726,774
Craig	120,596	114,834	235,430
Delta Junction	148,840	61,867	210,707
Dillingham	240,437	249,671	490,108
Emmonak	66,583	60,102	126,685
Fairbanks	3,731,948	1,432,273	5,164,221
Fairbanks North Star Borough	5,156,701	2,880,920	8,037,621
Galena	105,797	114,531	220,328
Haines	126,938	169,587	296,525
Haines Borough	83,345	36,716	120,061
Homer	460,224	346,502	806,726
Hoonah	96,745	78,034	174,779
Hooper Bay	79,325	32,251	111,576
Houston	82,973	76,641	159,614
City and Borough of Juneau	3,281,454	4,419,607	7,701,061
Kake	68,325	32,179	100,504
Kenai	794,345	453,308	1,247,653
Kenai Peninsula Borough	2,939,051	2,985,799	5,924,850
Ketchikan	1,042,325	939,984	1,982,309
Ketchikan Gateway Borough	583,030	450,133	1,033,163
King Cove	56,519	66,757	123,276
Klawock	70,181	86,517	156,698
Kodiak	822,979	726,063	1,549,042
Kodiak Island Borough	621,255	655,178	1,276,433
Kotzebue	389,930	367,461	757,391
Mat-Su Borough	3,692,868	3,028,097	6,720,965
McGrath	53,865	60,461	114,326
Mountain Village	68,181	65,524	133,705
Nenana	67,210	113,208	180,418
Nome	436,981	670,596	1,107,577
Noorvik	52,612	79,988	132,600
North Pole	193,783	60,177	253,960
North Slope Borough	1,510,378	734,039	2,244,417
Nunapitchuk	36,466	104,741	141,207
Palmer	362,678	496,738	859,416
Petersburg	365,759	721,599	1,087,358
Saint Mary's	56,382	100,904	157,286
Saint Paul	59,438	123,833	183,271
Sand Point	92,599	82,541	175,140
Saxman	35,101	87,471	122,572
Seldovia	72,612	48,697	121,309
Seward	271,368	595,648	867,016
City and Borough of Sitka	945,929	732,306	1,678,235
Soldotna	459,306	370,719	830,025
Tanana	43,849	83,096	126,945
Tuluksak	31,945	100,039	131,984
Unalakleet	82,051	53,749	135,800
Unalaska	197,870	420,734	618,604
Valdez	733,414	482,375	1,215,789
Wasilla	448,456	135,289	583,745
Whittier	34,617	77,179	111,796
Wrangell	274,178	381,258	655,436
Yakutat	58,452	79,120	137,572
Metlakatla	171,819	17,262	189,081
Remainder of State	2,804,857	4,744,440	7,549,315
Total FY87	$65,858,500	$47,879,100	$113,737,600
Budget FY88	$56,084,400	$40,733,400	$96,857,800

Source: Alaska Department of Community and Regional Affairs, Division of Municipal and Regional Assistance.

Juneau will be hardest hit by the reduced budget. During FY84-FY86 34% of all jobs in Juneau were held by state workers. With state government as the major employer, the loss of approximately 300 direct jobs, a capital budget drop of $7.8 million, and a loss in educational funding, municipal assistance, and revenue sharing will be a serious blow to the Juneau economy. Using the multipliers developed above the cuts in state spending will result in a loss of approximately 700 jobs, more than 5% of its nonagricultural wage and salary work force. This follows a loss of over 6% in total employment to date.

Next to Juneau, Fairbanks had the largest percent of jobs held by state workers (17%). Fairbanks, however, fared well from the state budget. While it will lose nearly 200 state jobs its share of the capital budget and an increase in educational assistance means that Fairbanks has done better than average from the FY88 budget. Still, Fairbanks can expect a loss of approximately 600 jobs from state budget cuts, a 2% loss in employment.

Conclusion

Alaska's state budget is official and the results are better than anticipated, however, there will still be staff reductions, reduced capital expenditures, and less local assistance. Statewide a loss of over 6,000 jobs is anticipated from employment losses in state government, construction, local government, and the support industries as a result of the change in state spending.

The reduction in state jobs will impact Juneau the most. Anchorage will lose the most jobs but with a more diverse employment base the impact is not as severe as for most communities in the state. Because of past state support to local communities, especially capital expenditures, rural areas will be impacted more than the urban areas with the possible exception of Juneau.

The impacts on local communities as a result of reductions in state financial support varies. Over 50% of total FY86 municipal revenue was provided by the state. That was down in FY87 and was reduced further in the FY88 budget. While rural districts will fare better under municipal assistance and state revenue sharing and in some cases educational funding support they will lose a greater proportionate share of capital appropriations. As a result no community will escape being impacted by the FY88 budget.

[1] Scott Goldsmith, How State Spending Reductions Affect Economic Activity, University of Alaska, Institute of Social and Economic Research, Working Paper 86.2, March 1986.

[2] The Fiscal Impact of Capital Spending in Alaska, University of Alaska, Institute of Social and Economic Research, December 1984.

[3] For a detailed list of capital projects by election district contact the Office of Management and Budget, Division of Budget Review.

[4] Contact the Department of Community and Regional Affairs for information about the Revenue Sharing Program.

Alaska State Spending—How High and Why?

By Gregg Erickson [1]

It has been widely recognized that per capita state spending is several times larger in Alaska than any other state. Some pundits say this shows that there is a lot of fat to be cut from the state budget. The statistics usually used to make that point have generally come from U.S. Census figures comparing spending among the states. The most recent Census data was released in October 1986, and relate to FY85. That means they cover the Alaska budget adopted in June of 1984. In Alaska, particularly in budget matters, change can come quickly. Whatever one may say about the status of state spending in 1984, things are different today, though spending remains high by national standards.

Current Spending Levels

Alaska's current budget calls for spending $2,076 million in FY88, the fiscal year that began on July 1, 1987.[2] That compares with $3,662 million three years earlier. (See Table 1 for details.) In per capita terms Alaska spending will be down 45 percent from its FY85 level. When adjusted for inflation the cuts from the prior year's spending have even been greater: down 27% in real per capita terms in the FY86 budget, down 16 percent in FY87, and down 14 percent in the budget just adopted for FY88. If the goal is to cut state spending, Alaska has clearly been making some progress.

In per capita terms Alaska spending will be down 45 percent from its FY85 level.

[1] Gregg Erickson is a Senior Economist for the Division of Policy, Office of Management and Budget.

Notwithstanding these cuts, Alaska's state government will still be spending more per resident than any other state. On a per capita basis we expect Alaska's FY88 spending to be about 55 percent above the next highest state, and roughly twice as much as the average state spends per resident elsewhere in the nation.

Why Does Alaska Spend So Much?

There are at least five important reasons for the high levels of state spending in Alaska. Four of these reasons reflect "real" differences between Alaska and other states. In contrast, the first major factor is a statistical artifact of the way the question is usually asked—"How does Alaska state spending compare with other states?"

Most states, for example, have county and city jails, but in Alaska the state government operates most jails. Where local governments in Alaska do provide services, the state often covers a bigger share of the costs than other parts of the country.

The FY85 Census data shows Alaska's per capita payments to local governments to be three times as large as in the next most generous state (Wyoming), and six times as large as the average state. Alaska state assistance to local governments has not declined quite as rapidly as the remainder of state spending, but the cuts have still been deep: this fiscal year Alaska will spend $654 million on its four major local government assistance programs, down from $805

Table 1
State Spending in Alaska, Fiscal 1979-1988
(Unrestricted General Funds)

Fiscal Year	July 1 Alaska Population	July Anchorage CPI-U	Total Appropriations (millions)	Per Capita Total Appropriations	Real Per Capita Total Appropriations (1987 $)	Change From Prior Year In Real Per Capita Appropriations
1979	411,600	188.5	$1,082.5	$2,630	$4,057	N/A
1980	413,700	207.4	1,160.3	2,805	3,933	-3.1%
1981	419,700	228.4	2,587.0	6,164	7,848	99.6%
1982	435,200	246.1	3,445.3	7,917	9,355	19.2%
1983	460,837	263.6	2,848.5	6,181	6,819	-27.1%
1984	495,290	265.8	3,086.9	6,233	6,819	0.0%
1985	523,048	275.5	3,661.9	7,001	7,390	8.4%
1986	539,600	283.7	2,830.1	5,245	5,376	-27.3%
1987	542,151	286.3	2,397.1	4,423	4,492	-16.3%
1988	537,080	290.8	$2,076.9	$3,867	$3,867	-13.9%

Sources

Population: Alaska Department of Labor estimates for FY79-FY86, and "low series" projections for FY87 and 88.

CPI: US Department of Labor data except the July FY88 (CY87) datum, which is an OMB estimate. Note: Population and CPI data are reported for July 1 of the calendar year, adjusted here to July 1, of the following named fiscal year, i.e., July FY88 = July CY87.

Total Appropriations: Unrestricted general funds, including operating, G.O. debt, capital, and loans. Permanent fund deposits and dividend appropriations, 1981 personal income tax refunds, and other extraordinary items are excluded. FY87 figure does not reflect capital spending restrictions imposed and later removed.

Posing the question this way ignores wide differences in the way states allocate responsibilities between state and local levels. States that handle more functions at the state level tend to have higher per capita state spending rankings than states that handle more functions locally, even though taxpayers may be paying identical amounts for the identical level of public services.

million in FY85, and accounting for 31 percent of FY88 spending.[3]

The biases in per capita state spending comparisons can be avoided by looking at Census data on combined state and local spending. For FY85, these show that Alaska (and its local governments) spent a little more than twice as much per resident as the

next highest state, and four times as much as the U.S. average.

Although Alaska has now fallen back toward the rest of the states in combined state-local spending per resident, the state Office of Management and Budget projects that the state will retain the number one spot in the FY88 rankings. Asking the question so it pertains to state spending alone clearly makes Alaska look higher than it is, but it is equally clear that the impression of higher spending in Alaska is more than just a statistical artifact.

Four Real Reasons

The second reason for Alaska's high spending is more straightforward: state government in Alaska continues to do things that state (and local) governments usually don't do. Paying longevity bonuses, giving subsidized student loans, providing direct subsidies to electric power users (Alaska's Power Cost Equalization program), and subsidizing hydroelectric projects (such as Bradley Lake) are some examples.

With respect to capital projects generally, appropriations for FY88 are $101 million, down dramatically from the $1,242 million appropriated in FY85. The current level nevertheless remains more than most states authorize directly for capital projects. Alaska also tends to spend more per capita on services traditionally provided by state and local governments, some of which is explained by the state's demographic characteristics: Alaska has a relatively young population, requiring more educational spending per capita, more than offsetting potential savings from a smaller than average percentage of elderly.[4]

The third factor helping to explain the high level of government spending in Alaska has been the high wage scales in the public sector when compared with other states. In October 1985 the average pay of a noneducational employee in Alaska was 27 percent higher than the next highest state, and 63 percent above the national average. More recent comparisons are not available, but the average pay of a state employee (excluding benefits) has recently increased faster than inflation, from $34,281 in 1985 to $36,052 in 1986. Layoffs of state workers tend to affect those with less seniority, and thus disproportionately reduce the ranks of lower paid employees. This can raise average pay even in the absence of general increases in wage rates.

A fourth element in Alaska's high per capita state spending is the relatively high level of debt service in Alaska, a legacy of the state's relatively heavy borrowing in the 1970s and early 1980s. At the end of FY85, the state's per capita burden of tax supported debt was six times the national average. And as high as that is, it doesn't include the $95 million in local school debt that state government paid in FY85.

The final factor helping to explain Alaska's high level of spending is the dispersed population, harsh climate, and lack of infrastructure. These factors can still mean that it costs more to provide a given level of government services in Alaska than in other states. The Department of Law recently had a felony prosecution on the Pribilof Islands. The court couldn't obtain an unbiased jury on the Islands because everyone knew or was related to the parties involved, so the state ended up flying the victim, the defendant and a dozen witnesses across the Bering Sea to Unalaska, and putting them up there for a week in hotels. The provision of education, health, and other public services in rural areas of Alaska can often require these kinds of higher expenditures by the state.

Can State Spending Be Reduced?

Average spending per resident has responded over the years to changes in available revenue, and many believe this will hold true in the future as well. The pattern of higher than average spending, however, is not a recent development, but one that clearly preceded the inflated oil revenues of the early 1980s.

As Table 1 shows, real per capita state appropriations in Alaska—high as they are in comparison with other states—have already been cut 5% below the levels of FY79. Historical statistics on the number of state employees per 100,000 residents compiled by Office of Management and Budget from Alaska Department of Labor data show a remarkable stability, ranging from a low of 3,426 employees per 100,000 residents in 1978 to a high of 3,944 per 100,000 in 1981.[5] The 1987 level is expected to fall in the lower end of this range.

Alaskans obviously have the ability to overcome most of the factors that have led to higher spending here than in other states. The historical evidence suggests, however, that the pattern of higher spending may be more deeply ingrained and more difficult to change than commonly imagined.

[2] Dollar figures are unrestricted general funds.

[3] The FY88 figure includes the educational foundation program, local school debt reimbursement, municipal assistance, and revenue sharing. The figure for FY85 includes shared taxes, teachers retirement assistance and other small programs since discontinued or consolidated with the four major assistance vehicles.

[4] Permanent Fund dividends are also a kind of government spending, but they are not included in the figures used here or in those published by the U.S. Census. Including the dividend in Alaska spending would have increased the Census FY85 combined state-local spending per resident figure by 4.2 percent.

[5] Includes University of Alaska employees.

State Government Employment 1979-1987

By Greg Huff

Introduction

According to the latest data, an annual average 19,893 people were working for the State of Alaska in 1986, making it the single largest employer in Alaska. The state's payroll in 1986 averaged $58.2 million a month. Included in the employment count are general government operations, the University of Alaska system, and a collection of semi-autonomous state agencies such as the Alaska Railroad.

Employment Trends

1987 losses represent the largest losses ever sustained in state government in Alaska's history.

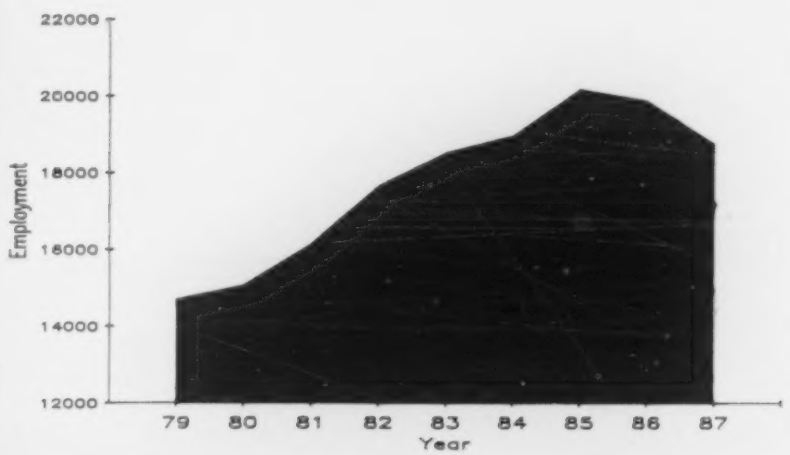
Between 1979 and 1986 state government employment grew 35%, a 4.3% annual rate (Figure 1). (This includes the Alaska Railroad transfer from federal to state ownership in 1985 and acquisition of Matanuska Maid dairy in 1986). This was greater than the 30% growth for the remainder of Alaska's employment, which grew at a 3.9% rate. Much of this difference in the rate of growth is accounted for by the acquisition of the Alaska Railroad.

From 1979-1985 Alaska's economy grew rapidly with population growing 32%. The decline in the economy, as a result of falling oil prices, began to impact the private sector in late 1985. As a result, after leading state government in employment growth through 1985, the private sector began to lose employment in 1986.

State government also lost employment in 1986 but less than the overall employment losses. In actual numbers, state employment was down 292 jobs in 1986 compared to 1985. The state government employment picture deteriorated in 1987 with employment falling another 1,514 jobs or 7.5% during the first half of the year (Table 1). These losses represent the largest losses ever sustained in state government in Alaska's history.

From 1979 to 1986 state government's share of Alaska's total wage and salary employment remained in the 9% range. The ratio of Alaska's population to state government employment also remained relatively unchanged at 27 to 1 (Table 2).

Figure 1
State Government Employment in Alaska, 1979–1987



Payroll and Wages

The state government's payroll has grown more rapidly than employment during this period. The state's payroll almost doubled from 1979 to 1986—from $359 million in 1979 to $699 million in 1986. In 1986 the state payroll represented 11.5% of Alaska's total payroll for that year. Some of the growth in payroll and wages can be attributed to a 39% increase in prices between 1979 and 1986.

State government's average monthly inflation adjusted earnings grew from $2,777 in 1979 to $2,887 in 1986, while the overall average monthly inflation adjusted earnings for Alaska declined from $2,420 in 1979 to $2,287 in 1986. State government average monthly earnings was 26% higher than the overall monthly earn-

Table 1
State Government Employment by Organization

	1979	1980	1981	1982	1983	1984	1985	1986	Percent Change 79-86	Percent Share 1986
DAIRY	0	0	0	0	0	0	0	32	--	0.2
Matanuska Maid	0	0	0	0	0	0	0	32	--	0.2
ECONOMIC PROGRAMS	3,211	3,242	3,342	3,518	3,490	3,468	3,484	3,403	6.0	17.1
Alaska Power Authority	0	0	0	0	0	0	30	45	--	0.2
Department of Commerce	265	280	329	406	442	422	379	339	27.9	1.7
Department of Transportation	2,945	2,961	3,013	3,112	3,048	3,046	3,075	3,019	2.5	15.2
Other	1	1	0	0	0	0	0	0	--	0.0
EDUCATIONAL SERVICES	3,429	3,695	3,887	4,388	4,725	4,918	4,974	4,874	42.1	24.5
Geophysical Institute	167	159	167	182	173	157	160	136	-18.6	0.7
University of Alaska	3,133	3,359	3,663	4,206	4,552	4,761	4,814	4,738	51.2	23.8
Other	129	177	57	0	0	0	0	0	--	0.0
ENVIRONMENTAL QUALITY	1,916	1,954	2,407	2,605	2,705	2,644	2,761	2,706	41.2	13.6
Department of Comm/Reg Affairs	144	126	172	224	209	178	189	187	29.9	0.9
Department of Env Conservation	118	133	191	211	213	219	237	240	103.4	1.2
Department of Fish & Game	851	864	1,036	1,162	1,225	1,224	1,237	1,133	33.1	5.7
Department of Natural Resources	789	821	1,008	1,008	1,058	1,023	1,098	1,146	45.2	5.8
Other	14	10	0	0	0	0	0	0	--	0.0
EXECUTIVE, LEGISLATIVE & GEN. GOV'T	1,194	1,199	1,349	1,604	1,735	1,807	1,821	1,714	43.6	8.6
Department of Administration	675	673	833	1,026	1,132	1,167	1,215	1,170	73.3	5.9
Department of Legislative Affairs	185	224	293	322	376	395	372	318	71.9	1.6
Governor's Office	311	277	207	238	204	219	206	205	-34.1	1.0
Ombudsman's Office	14	17	16	18	23	26	28	21	50.0	0.1
Other	9	8	0	0	0	0	0	0	--	0.0
HUMAN RESOURCE PROGRAMS	2,973	2,940	3,097	3,231	3,107	2,823	2,929	2,974	0.0	14.9
Department of Education	409	418	456	488	499	511	532	528	29.1	2.7
Department of H&SS	1,753	1,781	1,931	2,077	1,933	1,622	1,664	1,673	-4.6	8.4
Department of Labor	630	589	612	583	623	650	681	695	10.3	3.5
SE Regional Resource Center	44	33	52	83	52	40	52	78	77.3	0.4
Other	137	119	46	0	0	0	0	0	--	0.0
INVESTMENT/SECURITY BROKERS	13	17	32	38	42	42	43	45	246.2	0.2
Alaska Housing Finance Corp.	12	16	32	38	42	42	43	45	275.0	0.2
Other	1	1	0	0	0	0	0	0	--	0.0
JUSTICE, PUBLIC ORDER & SAFETY	1,415	1,446	1,582	1,673	2,043	2,611	2,775	2,767	95.5	13.9
Court System	457	468	515	545	572	596	617	596	30.4	3.0
Department of Corrections	0	0	0	0	350	831	946	969	--	4.9
Department of Law	145	166	204	230	250	269	299	313	115.9	1.6
Department of Public Safety	794	794	862	898	871	915	913	889	12.0	4.5
Other	19	18	1	0	0	0	0	0	--	0.0
NATIONAL SECURITY	86	88	89	87	89	87	83	88	2.3	0.4
Department of Military Affairs	86	88	89	87	89	87	83	88	2.3	0.4
Other	0	0	0	0	0	0	0	0	0.0	0.0
OPERATORS OF APARTMENT BUILDINGS	118	117	125	124	140	144	159	158	33.9	0.8
Alaska State Housing Authority	118	117	125	124	140	144	159	158	33.9	0.8
PUBLIC FINANCE & TAXATION	347	383	411	402	463	438	456	439	26.5	2.2
Department of Legislative Audit	21	30	43	45	43	44	44	38	81.0	0.2
Department of Legislative Finance	42	46	47	35	38	37	45	50	19.0	0.3
Department of Revenue	277	305	321	322	382	357	367	351	26.7	1.8
Other	7	2	0	0	0	0	0	0	--	0.0
RAILROAD TRANSPORTATION	0	0	0	0	0	0	700	693	--	3.5
Alaska Railroad Corporation	0	0	0	0	0	0	700	693	--	3.5
TOTAL STATE GOVERNMENT	14,702	15,081	16,154	17,670	18,539	18,982	20,185	19,893	35.3	100.0

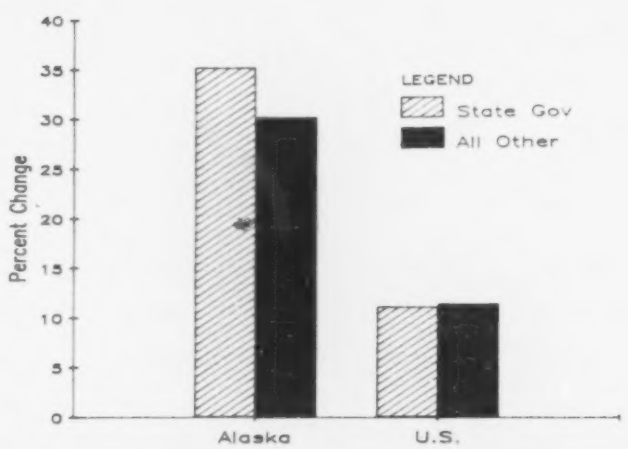
Table 2
State Government Employment by Census Area

	1980	1981	1982	1983	1984	1985	1986	Percent Change 80-86	Percent Share 1986	Population per State Employee 1980	1985
Aleutian Islands	66	64	73	70	71	78	72	9.1	0.4	118	116
Anchorage Borough	4,861	5,422	6,002	6,375	6,476	7,162	7,017	44.4	35.3	36	33
Bethel	184	210	235	254	237	262	260	41.3	1.3	60	49
Bristol Bay Borough	22	22	22	29	40	40	36	63.6	0.2	50	33
Dillingham	55	62	73	67	71	76	74	34.5	0.4	84	75
Fairbanks North Star Bor	3,177	3,352	3,565	3,757	3,820	4,009	3,914	23.2	19.7	17	18
Haines Borough	40	40	45	46	42	39	42	5.0	0.2	42	51
Juneau Borough	3,761	4,035	4,224	4,263	4,290	4,391	4,226	12.4	21.2	5	6
Kenai Peninsula Borough	524	574	636	694	773	830	815	55.5	4.1	48	47
Ketchikan Gateway Bor	425	438	522	553	580	537	551	29.6	2.8	27	23
Kodiak Island Borough	203	249	254	267	279	276	261	28.6	1.3	49	47
MatSu Borough	400	458	542	591	648	734	759	89.8	3.8	45	50
Nome	173	189	214	238	237	242	237	37.0	1.2	38	32
North Slope Borough	42	19	21	30	36	36	32	-23.8	0.2	100	153
Northwest Arctic Borough	58	51	59	81	86	92	90	55.2	0.5	171	141
Prince of Wales-Outer Ktch	15	20	24	25	26	30	29	93.3	0.1	255	167
Sitka Borough	201	220	229	235	253	249	278	38.3	1.4	39	33
Skagway-Yakutat-Angoon	23	25	29	33	36	36	37	60.9	0.2	151	102
Southeast Fairbanks	118	119	126	139	153	149	195	65.3	1.0	48	46
Valdez-Cordova	503	507	495	498	524	510	500	-0.6	2.5	17	18
Wade Hampton	12	16	15	18	20	24	20	66.7	0.1	389	233
Wrangell-Petersburg	71	79	94	106	102	108	105	47.9	0.5	87	63
Yukon-Koyukuk	147	150	171	170	182	229	218	48.3	1.1	54	40
Nonclassifiable	0	0	0	0	0	46	125	--	0.6	--	--
State Total	15,081	16,321	17,670	18,539	18,982	20,185	19,893	31.9	100.0	27	27

ings in 1986. Earnings are higher in state government primarily because employment is not seasonal, there are few part-time employees, and there is a larger proportion of professional and technical workers. Approximately 40% of state government is employed in professional, or technical occupations versus 22% for Alaska's total wage and salary employment.

The occupational makeup in state government helps explain why state government wages (in real terms) increased over the long term, whereas, the average monthly earnings in the overall economy fell. The proportion of higher paid professional and technical workers grew faster in state government than in Alaska's overall economy. The industries that grew the most from 1979 to 1986 (trade and services) tend to pay the least and have the highest proportion of unskilled, semi-skilled and part-time workers.

Figure 2
Employment Growth Alaska and U.S. 1979–1987



National Comparisons

From 1979 to 1986, the nation's total wage and salary employment grew more slowly than Alaska's, 11% versus 31%. State government employment followed a similar pattern; it increased 11% across the nation and 35% in Alaska (Figure 2).

In contrast, wage increases in Alaska

were similar to wage increases for state workers across the country. The most current data available show wages, on average, increased 41% (in nominal terms) nationally and 45% in Alaska from 1980 to 1985. In 1985, according to the U.S Bureau of the Census, Alaska's state average monthly wage was $3,004, while the national average state pay was $1,935 per month. California paid the next highest monthly wage, $2,556 per month, and Nebraska and Mississippi state workers had the lowest monthly pay, $1,426.

The state government work force in Alaska represents a larger share of total employment than it does nationally. On average, 4% of the wage and salary work force is employed in state government compared to 9% in Alaska. According to a 1985 U.S. Bureau of Census survey, Alaska employed 402 full time equivalent state employees per 10,000 population compared to 125 nationally. Hawaii follows Alaska with a ratio of 342. At the other end of the spectrum are Ohio and Illinois with 95 state workers per 10,000 population.

The sheer geographic size of our state is one reason for the large size of Alaska's state government. Alaska encompasses 570,833 square miles, 1/5 the size of the entire land mass of the contiguous 48 states. In addition, Alaska's state government is responsible for many tasks local governments normally undertake because large areas of Alaska do not fall within an organized governmental jurisdiction, including many public safety, social service, and judicial functions. Alaska's state government offers some unique services and operate businesses, which most other state governments do not do. Operating a railroad, a dairy and managing a housing finance corporation or the Permanent Fund Corporation are a few examples of the range of enterprises Alaska's state government is involved in that state governments normally play no role.

State Government by Department

The growth in state government was not equal for all departments. While each department or agency is organized by its primary function not all agencies fit neatly into a particular category. Nor do all agencies have eight year histories, for example the Alaska Railroad and the Department of Corrections.

The Alaska Railroad was acquired by the state from the federal government in 1985 and the Matanuska Maid dairy has been operated by the state since it filed bankruptcy in 1986. The Department of Corrections was created in 1983. Previously Corrections was a division in the Department of Health and Social Services. Because the change occurred during the second quarter of 1983, the annual average for the year shows only half the number of jobs involved in the move. Apart from these anomalies, the remainder of the data should be quite clear. Table 1 provides a detailed picture of state government employment over a period of eight years.

The single largest agency is the University of Alaska, which includes the university and community college systems. In 1986 the University system employed 24.5% of the state government's work force. In actual number of positions it grew the most between 1979 and 1986, adding 1,445 positions to its ranks; a 42% increase. During this same period University enrollment grew approximately 30%. In 1986 university employment fell 2%. Data for the first months of 1987 indicates that the University system has sustained another 5.7% decline in employment.

Though the University system experienced the largest increase in the number of employees, there were other agencies which grew faster during this period. Those agencies which doubled their employment or better from 1979 to 1986 were the Department of Law, the Department of Environmental Conservation, and the Alaska Housing Finance Corporation. The Department of Corrections employment grew 62%. (When the Department of Corrections was still a division, it employed approximately 600 employees in 1979). However, all of these agencies, with the exception of Corrections, are relatively small and therefore the overall impact is not dramatic.

Regional State Government Employment

State government is a major employer in many areas around the state. In Juneau state government accounted for one-third of all jobs in 1986. Juneau, Alaska's state capital, had the lowest population/state employee ratio among the state's 23 census areas during the early 1980s and was five times greater than the statewide average of 27 to 1 in 1986.

Juneau state employees accounted for 21% of state jobs in 1986. This work force primarily performs the task of administering most state government functions, from the Governors Office to the Commissioners offices and their departments. In addition, Juneau is home to the legislative branch which includes the Departments of Legislative Affairs, Legislative Audit, and Legislative Finance. Juneau also is regional headquarters for state government in the Southeast region of Alaska.

Besides Juneau, three other census areas—Fairbanks, Ketchikan and Valdez/Cordova—had a higher than average ratio of state employees to population. Fairbanks' high proportion of state workers stems from the University of Alaska-Fairbanks, the headquarters of the statewide university system, and Fairbanks' role as a regional center for many departments serving Alaska's Interior Region.

Ketchikan has a relatively large number of state workers because it is a regional headquarters for the Department of Transportation/Public Facilities' (DOTPF) Alaska Marine Highway System and it has a DOTPF operated airport. In Valdez the primary state government employers are the Department of Transportation (road maintenance and ferry) and Health and Social Services (which operates the Harbor View facility for the handicapped).

Although Juneau had the highest ratio of state employees to population, Anchorage had the largest state government work force. Over 7,000 or one-third of state government employment was located in Anchorage in 1986. Because of Anchorage's large private sector state government employment accounted for less than 7% of total employment in 1986.

The Anchorage/MatSu Region had the largest state government work force while the Northern Region had the smallest in 1986.

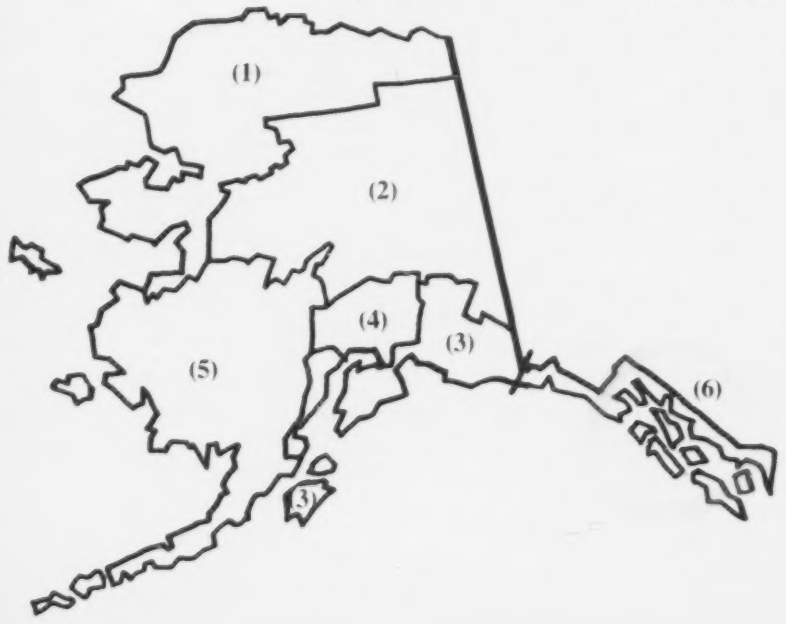
With Anchorage's large population base the Department of Health and Social Services has nearly half of its employment based in Anchorage. Anchorage also is regional headquarters for the Southcentral region and serves as headquarters for several semi-autonomous state agencies such as the Alaska Railroad and Alaska Housing Finance Corporation.

Anchorage is the headquarters of the statewide court system and the Third Judicial District. The Department of Law has its largest staff located in Anchorage. Anchorage is also home for the University of Alaska at Anchorage and Anchorage Community College, the two of which accounted for nearly 1,600 jobs in 1986.

When the state's work force located in Anchorage is combined with those in Juneau and Fairbanks three-quarters of state government employment is accounted for. The remainder is distributed among the other 20 census areas.

Figure 3
Employment by Labor Market Area 1979 – 1980

Area	1979	1986
(1) Northern	273	359
(2) Interior	3,442	4,327
(3) Gulf Coast	339	462
(4) Anchorage-MatSu	5,261	7,776
(5) Southwest	1,230	1,576
(6) Southeast	4,536	5,393



Combining the census areas into six labor market regions provides a convenient way to analyze the movement of state government by department (Table 3). The distribution of state government employment by labor market region for 1979 and 1986 is shown in the following map (figure 3). The map also provides the name of the census areas contained in each region.

The Anchorage/MatSu region had the largest state government work force while the Northern Region had the smallest in 1986. The same was true in 1979 for the Northern Region, but the Anchorage/MatSu share of the state work force has increased from 34% to 39%. All other regions had shares of state employment that remained fairly constant, except for the Southeast region which lost share.

The relative gain in state employment in Anchorage was largely due to the transfer of the Alaska Railroad in 1985 and acquisition of Matanuska Maid in 1986. These two additions accounted for over 600 jobs. These jobs combined with employment increases in the university and community college, Departments of Administration, Natural Resources and Health and Social Service/Department of Corrections to provide the bulk of the increases in state government jobs in the Anchorage/MatSu Region. (Note: The combined figures of Department of Corrections and Health and Social Services show employment growing from 871 in 1979 to 1268 in 1986.)

In contrast to the 45% growth in state government employment in the Anchorage/MatSu region, state government employment grew 17% in the Southeast Region. Over half the growth was in Juneau, but all areas within the region experienced some gains. Generally the larger the population base the larger the gains. The departments primarily responsible for employment growth in the region were Administration, Education, Fish and Game, and Legislative Affairs.

The university system and Departments of Natural Resources and

Table 3
State Government Employment by Region

	Northern		Interior		Southwest		Anch/MatSu		Gulf Coast		Southeast	
	1979	1986	1979	1986	1979	1986	1979	1986	1979	1986	1979	1986
DAIRY	0	0	0	0	0	0	0	32	0	0	0	0
Matanuska Maid	0	0	0	0	0	0	0	32	0	0	0	0
ECONOMIC PROGRAMS	63	71	501	613	43	40	926	1,047	373	309	1,304	1,323
Alaska Power Authority	0	0	0	0	0	0	0	42	0	1	0	3
Department of Commerce	1	0	14	17	1	1	122	174	3	3	124	143
Department of Transportation	62	71	487	596	42	39	804	831	370	305	1,180	1,177
EDUCATIONAL SERVICES	80	67	1,713	2,270	103	116	1,050	1,722	138	310	216	389
Geophysical Institute	0	0	166	136	0	0	1	0	0	0	0	0
University of Alaska	80	67	1,547	2,134	103	116	1,049	1,722	138	310	216	389
ENVIRONMENTAL QUALITY	23	38	340	482	45	95	743	1,049	213	297	538	745
Department of Comm/Reg Affairs	6	11	13	9	7	11	48	91	2	1	68	64
Department of Env. Conservation	0	2	11	40	0	2	18	67	9	18	80	111
Department of Fish & Game	17	24	73	119	38	80	235	257	172	211	316	442
Department of Natural Resources	0	1	243	314	0	2	442	634	30	67	74	128
EXECUTIVE, LEGISLATIVE & GEN. GOV'T	9	20	117	139	8	14	349	541	9	28	693	972
Department of Administration	1	9	79	112	1	7	226	470	2	12	366	560
Department of Legislative Affairs	3	6	7	8	3	5	21	22	3	16	148	261
Governor's Office	5	5	31	14	4	2	94	41	4	0	173	143
Ombudsman's Office	0	0	0	5	0	0	8	8	0	0	6	8
HUMAN RESOURCE PROGRAMS	66	41	266	289	71	71	1,085	1,107	288	322	1,060	1,144
Department of Education	1	1	9	7	0	2	83	87	70	75	246	356
Department of H&SS	56	35	186	207	66	64	781	789	195	207	469	371
Department of Labor	9	5	71	75	5	5	221	231	23	40	301	339
SE Regional Resource Center	0	0	0	0	0	0	0	0	0	0	44	78
INVESTMENT/SECURITY BROKERS	0	0	0	0	0	0	12	45	0	0	0	0
Alaska Housing Finance Corp.	0	0	0	0	0	0	12	45	0	0	0	0
JUSTICE, PUBLIC ORDER & SAFETY	32	114	273	412	53	112	627	1,330	144	273	267	526
Court System	17	28	93	102	21	19	244	339	32	41	50	67
Department of Corrections	0	39	0	113	0	41	0	499	0	103	0	174
Department of Law	1	11	22	41	2	9	69	155	4	8	47	89
Department of Public Safety	14	36	158	156	30	43	314	337	108	121	170	196
NATIONAL SECURITY	7	4	4	1	8	5	58	70	2	0	7	8
Department of Military Affairs	7	4	4	1	8	5	58	70	2	0	7	8
OPERATORS OF APARTMENT BUILDINGS	4	3	13	16	8	8	63	92	7	12	23	27
Alaska State Housing Authority	4	3	13	16	8	8	63	92	7	12	23	27
PUBLIC FINANCE & TAXATION	0	1	10	5	0	1	122	173	0	0	208	259
Department of Legislative Audit	0	0	0	0	0	0	6	10	0	0	15	28
Department of Legislative Finance	0	1	1	0	0	1	5	4	0	0	36	44
Department of Revenue	0	0	9	5	0	0	111	159	0	0	157	187
RAILROAD TRANSPORTATION	0	0	0	100	0	0	0	568	0	25	0	0
Alaska Railroad Corporation	0	0	0	100	0	0	0	568	0	25	0	0
OTHER	0	0	119	0	0	0	0	0	0	0	198	0
TOTAL STATE GOVERNMENT	284	359	3,356	4,327	339	462	5,035	7,776	1,174	1,576	4,514	5,393

Transportation/Public Facilities were the primary source of employment gains in the Interior Region. The Alaska Railroad transfer also increased state government employment by some 100 jobs. Fairbanks, the Interior's regional center, represents 90% of state government employment in the region.

In the Gulf Coast region the university system played a key role in the increase of state employment, doubling in size from 1979 to 1986. Only the Department of Corrections increased faster. From 1983 to 1986 employment in the Department of Corrections increased from 30 jobs to over 100. As the Seward prison comes on line employment with the Department of Corrections will more than double.

Because the Gulf Coast Region consists primarily of coastal/fishing communities the Department of Fish and Game has a large presence. In fact, over 18% of total statewide Fish and Game employment was located in the region in 1986, compared to less than

8% of total state government employment.

The remaining two regions, Northern and Southwest, are the most rural of Alaska's regions and have the smallest population base. Combined these regions in 1986 had 4% of the state work force in 1986, and 11% of the population, which gives them the highest ratio of population/state employee in the state. State government grew faster than population in these regions, which was not the case for the other regions of the state (if Alaska Railroad effects are taken out of Anchorage/MatSu). The Departments of Fish and Game, Corrections, and Public Safety were the big employment gainers for both regions.

Summary

State government accounts for 8% to 9% of total employment in Alaska, making it the largest employer in the state. In terms of the number of state workers to the total population it is the largest state government in the U.S. In 1985, the proportion was 402 state workers per 10,000 residents, 60 more than Hawaii and 150 more than Delaware the second and third greatest states in terms of ratio of the state work force to population.

Because the State of Alaska provides many services provided by local governments in other states it has been argued that combined state and local employment is a better measure for making inter-state comparisons. In doing so, Alaska's ratio of state and local government employment of 757 per 10,000 population is above the national average of 442, but several states are closer. For example, Texas has a ratio of 467 state and local government workers per 10,000 population and Wyoming has 635. Alaska's local government employment ratio of 355 per 10,000 people is only 12% greater than the U.S. average. New York has the highest with 411 local government workers per 10,000 people.

From 1979 to mid 1986 Alaska's state government employment expanded in response to an increase in the demand for services by a rapidly growing population and availability of substantial revenues. But the oil price plunge in 1986, and the accompanying loss in state revenues, sent state officials scrambling to cover the cost of operating the government.

Oil prices have since recovered, easing the downward movement of oil revenues, but as with the rest of the economy state government has had to contract the size of its work force. State government accounted for 18,300 jobs in June 1987, down 1,500 jobs since June 1986, a 7.5% decline. Although this trend is likely to continue through 1987, the declines are expected to be moderate in 1988.

Alaska State Government Employment Profile

By Dan Zobrist

"It was the best of times, it was the worst of times . . . it was the spring of hope, it was the winter of despair." These familiar words of Charles Dickens describing a long ago time of turbulent change is an apt appraisal of the view many Alaskans have of the current economy.

With the cost of goods and services in decline, there are bargains in housing and services that make these good times for some Alaskans, but for the unemployed, with years of lost equity in a home, and facing an economy that is no longer expanding, indeed, these may be the worst of times. One group of employed persons who may be enjoying both the best and the worst of times is Alaska's state government workers.

The state government workforce is going through trying times as layoffs and other changes occur. In both expanding and contracting economies there are opportunities as people decide to make a change in their situation. The same will be true in state government employment.

For those interested in working in state government there are many questions. How many and where are state jobs located in Alaska? What occupations are employed by the state? Do state jobs pay a higher wage than a comparable occupation in the private sector? How many nonresidents fill state jobs? Who can apply for any state job? These and other questions may be answered with a look at the statistics which follow.

Occupational Employment

A ten year review of past occupational staffing patterns of Alaska state government reveal that despite employment growth of over fifty percent during the period 1975-1985, the distribution of most of the major occupational categories has scarcely shifted. This relatively unchanging occupational pattern may be seen in Table 1.

A look at this unchanging occupational pattern reveals at least one fact—employment in government is comprised predominately of white collar occupations. Because state government is basically a service industry, it is not surprising that professional and technical workers represent the largest occupational category. Within this group, those employed as civil engineers, biological scientists, social workers, lawyers, and compliance officers/inspectors account for approximately 28 percent of the employment in this category.

Clerical workers are the second largest group. Predominant occupations in this category include typists (word processing equipment), general office clerks, secretaries, and bookkeeping, accounting, and auditing clerks. These occupations account for 55 percent of the category's employment.

Service workers rank third in aggregate occupational classifications in state government. The majority of service workers (54%) are made up by police patrol officers, police & detective supervisors, guards, and correction officers & jailers. The brief surge of service workers in 1982 is the result of the employment of 800 emergency firefighters to fight an outbreak of lighting fires that plagued the Interior Region during the spring of 1982.

Near the bottom of the list of occupational groups with any appreciable numbers of employment in state government are the crafts, operators, and laborers. The most noticeable specific occupations here are: operating engineers, maintenance repairers (general utility), paving/surfacing/tamping equipment operators, and mechanics.

Outlook

The Department of Labor has forecasted about 1,500 fewer jobs in state government over the next five years. The forecast makes no assumptions about specific areas in which cuts will occur. The decline in state revenues and the impacts of inflation are expected to be the chief causes of this projected downturn. Even with this decline, occupational staffing patterns are not expected to change.

Table 1
Occupational Staffing Pattern of Alaska State Government
(excludes education & hospitals)
1975-1985

Title	Percentage of Total Employment			
	1975	1979	1982	1985
Officers and Managers	15	18	14	11
Professional & Technical Workers	32	32	31	37
Clerical Workers	26	26	26	28
Service Workers	14	13	19	15
Crafts, Operators, Laborers	13	11	10	10
TOTAL	100%	100%	100%	100%

Source: Occupational Employment Statistics Program, Alaska Department of Labor.

State Government Recruitment

Within state government many jobs are open to continuous recruitment. Applications for approximately 200 job classes are generally always accepted. That doesn't mean a job is available. If the minimum qualifications are met, and any required tests are passed, then a jobseeker will join a list of eligible applicants competing for vacancies. Other job classes are opened for 30 to 60 day periods during some part of the year for special recruitment.

For individuals interested in working for Alaska state government, the Division of Personnel in the Department of Administration suggests these important sources of information that are available to the general public at any Division of Personnel office.

Jobs Book - This provides information, including required minimum qualifications, on approximately 225 job classes available for continuous recruitment.

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Only 21% of the 33 comparable occupations surveyed showed state employee salaries higher than their private sector counterpart.

Recruitment Bulletins - Published on the first, and sometimes middle, of each month, they announce 30 to 60 day application periods for various job classes.

Department of Transportation and Public Facilities Job Classes - The Division of Personnel maintains a separate book for these job classes. Since the majority of these jobs are open for continuous recruitment they are listed in the Jobs Book.

Recruitment Schedules - Normally published every six months, it provides a glimpse of job classes coming available.

How to Apply Book - This informative booklet tells how to locate information about state jobs and gives step by step instructions on how to properly complete a State of Alaska Employment Application. The last few pages list telephone numbers and addresses of offices that may be contacted with additional questions.

Additional sources of information about state government employment in the Labor, Trades & Crafts, Office of the Governor and Lieutenant Governor, State Ferries, The Legislative Branch, the Judicial Branch, and the University of Alaska can be requested from the:

Division of Personnel
Recruitment Officer
P.O. Box C-0201
Juneau, Alaska 99811
465-4430

Now that it's known what types of occupations are typically employed by state government, and how to apply for them, the next question is: how much do they pay?

Wages

Responses to a July 1986 statewide occupational wage rate survey conducted by the research and analysis section of the Alaska Department of Labor were received from 1,291 employers from manufacturing, nonmanufacturing, trade and regulated industries. Information was collected on 253 occupations and 216 occupations had at least three responses. The survey data were then compared to wages for similar occupations in Alaska state government. All of the wage information represents gross dollar amount (before deductions) and excludes tips, overtime pay, room and board, bonuses, or benefits.

There were 71 occupations in the survey that were comparable between state government and nonunion employees in the private sector. Of these, entry level wages were higher in state government for 86 percent of the occupations. Among union employees in the private sector, which may be very comparable as most state workers are members of one of the various public employees unions, the comparisons are different.

Only 21% of the 33 comparable occupations surveyed showed state employee salaries higher than their private sector counterpart. Of this 21%, nearly half of these occupations are cashiers, bartenders, or waiters and waitresses where the value of tips (an important income source for these occupations) were not collected in the survey. Typically, state government employees in these occupations do not receive tips. For wage comparisons, it would seem, the overriding difference is not whether an occupation is employed by the state government, but whether it is organized.

State employees are unionized in many white collar occupations such as managers and officers, professional and technical, or clerical and administrative support. These occupations in the private sector are typically nonunion and the wage survey results reveal that they tend to earn less than their unionized counterpart in state government.

When you compare occupations in the production/construction or operating/maintenance/material handling areas the balance tips the other way. Overwhelmingly, by a sixteen to one margin in surveyed, comparable occupations, state employees earn less. There were no data collected on hours worked or total earnings and these are important points when making wage comparisons. More detailed information is available in the publication *Alaska Wage Rates 1986* available from the research & analysis section of the Alaska Department of Labor.

Location of State Jobs

Does an Alaskan have to live in Juneau, the state capital, to work in state government? Not really. Approximately one-third of state employees work out of the Anchorage, Palmer, Wasilla area. This percentage has grown from thirty to thirty-four percent during the ten year period 1975-85. The percentage of state workers working out of Fairbanks has remained stable at approximately 11 percent.

An analysis of the December 1986 payroll, which includes hospitals, showed that the Anchorage, Palmer, Wasilla area had an increase in percentage share to 37%. Fairbanks increased slightly to 12% and Juneau represented 23% of state government employment.

Residency

While it might be expected that all state workers would be Alaskan residents a few are not. A recent study of state payroll records was made by the research and analysis section of the Alaska Department of Labor. A crossmatch of state employee records with the permanent fund dividend data file reveals that 93% of all state employees are Alaska residents. The criteria used in defining resident is similar to the one used in the publication *Nonresidents Working in Alaska in 1985*, which is available from the Alaska Department of Labor, Research and Analysis Section.

This crossmatch provided information on the total number and percent of residents/nonresidents (1985) by bargaining unit and by state government agency. The data showed that over ninety-three percent of state workers are residents. The crossmatch also showed that there are organizations in state government where nonresident state employment is most concentrated.

Table 3 illustrates that the bargaining units with the highest percentage of nonresidents employed are those associated with the Alaska Marine Highway system (IBU-Marine Transport 15.8%, MEBA-Marine Engineers 76.2%, MMP-Masters, Mates and Pilots 51.9%) Table 4 shows that the state agency with both the highest percent and largest number of nonresident workers is the Department of Transportation and Public Facilities, which houses the Alaska Marine Highway System. The complete breakout is listed below.

The total number of employees is higher in Tables 3 and 4 than what was reported in Table 2 because of different definitions of employment. Information in tables 3 and 4 includes any individual that worked for the State of Alaska in 1985. The lower total employment number in Table 2 is the annual average number of workers. All of the individuals identified as residents had received a permanent fund dividend in either 1985 or 1986. (The University of Alaska is not included in this count.)

Over ninety three percent of state workers are residents: but how long have they been employed by the state. An analysis of the December 1986 payroll file show that 55.4% of state

Table 2
State Government Employment
by Location
(excludes hospitals & education)

Year	Share of Anchorage	State	Share of Fairbanks	State	Total
1975	2,780	30%	1,117	12%	9,170
1979	3,213	31%	1,132	11%	10,410
1982	4,223	32%	1,472	11%	13,390
1985	4,764	34%	1,544	11%	13,949

Source: Occupational Employment Statistics Program. Alaska Department of Labor

Table 3
Alaska State Government Resident and Nonresident Workers
By Bargaining Unit 1985

Bargaining Unit	Nonresident	Percent of Total	Resident	Percent of Total
IBU-Marine Transpor	101	15.8	540	84.2
MEBA-Marine Engineers	96	76.2	30	23.8
MMP-Masters,Mates, & Pilots	41	51.9	38	48.1
PSEA-Public Safety	10	2.6	369	97.4
Labor Relations	——	——	15	100.0
GGU-General Government	458	4.5	9,751	95.5
Confidential	8	3.1	246	96.9
Labor,Trade, & Craft	123	5.9	1,972	94.1
SU-Supervisors	20	1.7	1,143	98.3
Teachers	3	3.5	82	96.5
Exempt, Partial Ex	369	9.0	3,712	91.0
N/A	3	13.6	19	86.4
TOTAL	1,232	6.4	17,917	93.6

Source: Alaska Dept. of Labor, Research & Analysis, and Department of Administration.

Over ninety-three percent of state workers are residents.

Table 4
Alaska State Government Resident and Nonresident Workers
By Department 1985

Department	Nonresident	Percent of Total	Resident	Percent of Total
Governor's Office	9	2.7	326	97.3
Administration	59	3.9	1,457	96.1
Law	32	6.9	431	93.1
Revenue	31	6.5	448	93.5
Education	38	5.2	691	94.8
Health & Soc Serv	77	3.8	1,960	96.2
Labor	18	2.3	775	97.7
Commerce	23	4.4	503	95.6
Military Affairs	1	0.9	114	99.1
Natural Resources	158	8.0	1,820	92.0
Fish and Game	134	7.5	1,654	92.5
Public Safety	101	7.6	1,221	92.4
Environmental Conservation	8	2.8	274	97.2
Corrections	24	2.2	1,073	97.8
Community & Regional Aff	3	1.4	213	98.6
Transportation & Pub Facil	405	10.7	3,363	89.3
Ombudsman	1	3.0	32	97.0
Legislative Affairs	35	5.1	658	94.9
Audit	2	3.3	59	96.7
Legislative Finance	1	2.0	50	98.0
Court System	72	8.3	795	91.7
Total	1,232	6.4	17,917	93.6

Source: Alaska Department of Labor, Research & Analysis, and Department of Administration.

Table 5
Alaska State Government
Number and Percentage of Workers by Gender
in Higher Paying State Jobs /1
(excluding University of Alaska)
December 1986

Department	Gender	Number in Higher Paying Jobs	As a Percent Total Dept. Employment	As a Percent of Total Employment by Gender Males	Females
Governors Office	Male	47	25	84	——
	Female	80	42	——	59
Administration	Male	224	21	63	——
	Female	234	22	——	32
Law	Male	111	31	93	——
	Female	107	30	——	45
Revenue	Male	90	28	72	——
	Female	71	22	——	36
Education	Male	99	24	68	——
	Female	105	26	——	40
Health & Social Services	Male	333	21	62	——
	Female	547	35	——	53
Labor	Male	225	33	86	——
	Female	257	38	——	62
Commerce & Economic Development	Male	145	39	78	——
	Female	85	23	——	45
Military Affairs	Male	34	35	54	——
	Female	3	3	——	9
Natural Resources	Male	339	47	87	——
	Female	144	20	——	44

workers currently employed have a hire date of four years or less. This is consistent with the fact that state government expanded with the rest of the Alaska economy, and population, during the period 1982-83 when both oil prices and state revenues were at a peak.

Do Men Have Better Paying Jobs Than Women?

In a period of economic stagnation any job is a good job, but some jobs are better than others. Are women as likely as men to have a higher paying job in state government? Some information would suggest not.

The December 1986 state payroll file provided information on the pay ranges of the individual jobs held by women and men (Table 5). The balance between females and males having pay range 13 jobs (approximately $2300/month or higher) or laborers, trades and crafts jobs of pay range 53 or better ($16.46/hour or better) and Public Safety Officers Unit pay range 73 ($2599 and above) differs for most state agencies, but in every case the balance is one way: there is a higher percentage of male employees, as a percent of employment by gender, in these better paying jobs than there are females in those positions. As an example, in the Department of Law 93% of the males employed are in range 13 jobs or higher—compared to 45% of the fe-

In a period of economic stagnation any job is a good job.

Table 5 (continued)
Alaska State Government
Number and Percentage of Workers by Gender
in Higher Paying State Jobs /1
(excluding University of Alaska)
December 1986

Department	Gender	Number in Higher Paying Jobs	As a Percent Total Dept. Employment	As a Percent of Total Employment by Gender Males	Females
Fish & Game	Male	490	59	90	—
	Female	110	13	—	38
Public Safety	Male	420	56	92	—
	Female	55	7	—	19
Environmental Conservation	Male	124	56	93	—
	Female	39	18	—	45
Corrections	Male	657	67	97	—
	Female	208	21	—	67
Community & Regional Affairs	Male	61	35	90	—
	Female	55	32	—	53
Transportation & Public Facilities	Male	1,285	60	79	—
	Female	169	8	—	33
Ombudsman	Male	5	100	100	—
	Female	0	—	—	—
Legislative Affairs	Male	64	32	93	—
	Female	121	61	—	92
Legislative Audit	Male	13	33	100	—
	Female	26	66	—	100
Legislative Finance	Male	4	27	100	—
	Female	11	73	—	100
Court	Male	54	10	52	—
	Female	104	19	—	23

/1 Higher paying state jobs is defined as those jobs in pay range 13 (approximately $2,300 per month) or better in the general government confidential and supervisory bargaining units, wage group 53 (approximately $16.46 per hour) or better in the skills and crafts bargaining unit, and pay range 73 (approximately $2,599 per month) or higher in the regularly commissioned public safety officers unit.

Source: Alaska Department of Labor, Research and Analysis, and Department of Administration

males employed. (The exception is those organizations where 100% of both genders are in these higher job classes such as Legislative Audit.)

The comparisons for each state department is listed in Table 5 (page 22 and 23). The table shows by gender and department the number employed at these higher pay ranges as a percentage of total department employment, and as a percentage of total employed of that gender. As an example, the Department of Administration shows that during December, 1986, 224 males were employed at a pay range of 13 or higher, that this represented 21% of total department employment, and 63% of the total males employed by that department. One note of caution: Providing information on gender is voluntary and as a result 14% of the observations are missing.

Summary

While Alaska is not falling to the depths that Charles Dickens describes in his eighteenth century tale of London and Paris during the French Revolution, it is experiencing a period of economic contraction. Jobs can be tough to find even for well qualified Alaskans. The information presented above is intended to provide helpful information about employment in Alaska state government to those Alaskans seeking employment with the state. Analysis on specific topics of wage rates, residency, and demographic characteristics showed that state workers are overwhelmingly Alaska residents, make wages that reflect their unionized status, and are predominantly male in the higher paying jobs. For additional information on any specific item mentioned the reader is encouraged to contact the research and analysis section of the Alaska Department of Labor.

Alaska's Employment Scene

By Edward Eboch

Despite all its problems there are a number of positive factors that have increase optimism about Alaska's economic future.

Nonagricultural wage and salary figures indicate that employers were more cautious about hiring personnel for the summer season than they normally are for June (Tables 1-7). As a result, Alaska's unemployment rate increased by two-tenths of a percentage point in June to 11.2% (Table 9).

An increasing unemployment rate in June is somewhat unusual but not an unprecedented occurrence. The number of unemployed workers increased by over 500 from May, largely due to the end of the school year. Completion of the school year brings young people into the labor force. Normally Alaska's industries increase their seasonal demand for employment more than enough to offset this influx of workers into the labor force. This summer, however, employers have been expanding employment more slowly as the economy continues its contraction in its nonseasonal industries.

Manufacturing continues to be the bright spot in Alaska's economy, with over-the-month and over-the-year increases in timber and seafood processing employment. The timber industry is showing employment growth in areas outside Southeast although from a small base. Other manufacturing; primarily newspapers, printing, and construction related manufacturing; has decreased over-the-year.

Reports of a shortage of employees for seafood processing plants was not evident in June by may appear in July and August when salmon runs drive up processing employment to 15,000. When canned stocks low as a result of successful promotional efforts by the Alaska Seafood Marketing Institute, processors are anxiously awaiting the arrival of this years salmon run. There is some concern that this years peak run may be small, especially in the Southeast, and will impact both the demand for employment and the price harvesters receive for fish. A serious shortage of workers in some areas could also impact fish prices and reduce spending in communities heavily dependent on this seasonal industry.

After a slow start tourism appears to be picking up around the state. Several areas have reported an increase in visitors over the 1986 levels. This increased activity is not yet evident in the June statewide employment data but should appear in the July trade, services, and transportation employment numbers.

Anchorage has reported a sizable increase in traffic which is supported by the air transportation employment data with both over-the-month and over-the-year gains. Fairbanks is reporting a slight increase in tourist spending, offsetting to some extent reduced local spending. In Southeast, tour boat traffic has been down in most communities from the 1986 levels, however, 1986 was a record as a result of the Vancouver EXPO. Compared to 1985, tourist traffic appears to be up significantly.

An interesting occurrence the last two years is a change in the type of tourist now visiting Alaska. Recent tourists, including a fair number off the tour boats, are younger two income families, often with family in tow. This is reflected in changing spending patterns as well. There are more purchases of t-shirts and less expensive items compared to purchases of Alaska art and gold that was a major source of income to gift shop owners in the past.

An additional positive catalyst to Alaska's economy is increasing mineral mining employment. Metal mining employment is up significantly over-the-year after two years of declines. June metal mining employment was up 38.6% over the year, approximately equal to 1985 levels, but still less than the peak 1982/1983 years.

Metal mining employment gains were widespread. Every region, except Anchorage/MatSu, showed over-the-year employment increases in June. While attention has centered on the Red Dog mine in the Northwest Arctic Borough and the Greens Creek mine in the Southeast, production and exploration employment increases are evident in other mining ventures. The most important occurrence is the increase in the exploration activity as higher mineral prices have revived Alaska's metal mining industry. Unfortunately these gains have been largely offset by declines in the oil industry since last year.

Recent tourists are younger two income families, often with family in tow.

Table 1
Nonagricultural Wage and Salary Employment
By Place of Work
Alaska

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	218,600	217,200	229,200	1,400	-10,600
Mining	8,200	8,300	8,600	-100	-400
Construction	13,300	12,000	14,900	1,300	-1,600
Manufacturing	14,800	13,700	14,600	1,100	200
Food & Kindred Prod.	8,500	7,500	8,200	1,000	300
Lumber & Paper Prod.	3,200	3,100	3,100	100	100
All Other Mfg.	3,100	3,100	3,300	0	-200
Trans. Comm. & Utilities	18,900	18,000	19,300	900	-400
Trucking & Whseing.	2,100	2,000	2,500	100	-400
Water Transportation	1,300	1,100	1,500	200	-200
Air Transportation	5,900	5,600	5,600	300	300
Other Trans. Comm. & Utilities	9,600	9,300	9,700	300	-100
Trade	42,800	42,000	46,100	800	-3,300
Wholesale	7,600	7,500	8,400	100	-800
Retail	35,200	34,500	37,700	700	-2,500
Gen. Mer. & Apparel	5,200	5,000	5,400	200	-200
Food Stores	6,000	6,100	6,100	-100	-100
Eating & Drinking Pl.	13,200	12,900	14,200	300	-1,000
Other Retail Trade	10,800	10,500	12,000	300	-1,200
Finance-Ins. & R.E.	12,000	11,900	13,000	100	-1,000
Services & Misc.	43,900	42,700	45,500	1,200	-1,600
Government	64,700	68,600	67,200	-3,900	-2,500
Federal	18,800	18,500	18,400	300	400
State	18,300	19,300	19,800	-1,000	-1,500
Local	27,600	30,800	29,000	-3,200	-1,400

Prepared in cooperation with the U.S. Bureau of Labor Statistics. Government includes teachers in primary and secondary schools, and personnel employed by the University of Alaska.

Benchmark Date March 1986.

p/ Denotes Preliminary Estimates.
r/ Denotes Revised Estimates.

Table 2
Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	106,000	104,550	111,300	1,450	-5,300
Mining	3,350	3,350	3,600	0	-250
Construction	7,650	6,650	8,150	1,000	-500
Manufacturing	2,900	2,550	2,850	350	50
Food & Kindred Prod.	1,000	700	1,000	300	0
Other Mfg.	1,900	1,850	1,850	50	50
Trans. Comm. & Utilities	9,600	9,150	9,900	450	-300
Trucking & Whseing.	1,500	1,350	1,600	150	-100
Water Transportation	300	300	300	0	0
Air Transportation	3,100	3,000	3,050	100	50
Other Trans. Comm. & Utilities	4,700	4,500	4,950	200	-250
Trade	24,750	24,400	26,700	350	-1,950
Wholesale	5,600	5,500	6,250	100	-650
Retail	19,150	18,900	20,450	250	-1,300
Gen. Merchandise	1,800	1,800	1,900	0	-100
Food Stores	3,050	3,000	3,050	50	0
Eating & Drinking Pl.	7,550	7,450	8,150	100	-600
Other Retail Trade	6,750	6,650	7,350	100	-600
Finance-Ins. & R.E.	7,850	7,800	8,450	50	-600
Services & Misc.	24,200	23,900	25,750	300	-1,550
Government	25,700	26,750	25,900	-1,050	-200
Federal	10,700	10,450	10,150	250	550
State	6,550	6,950	7,050	-400	-500
Local	8,450	9,350	8,700	-900	-250

Table 3
Nonagricultural Wage and Salary Employment
By Place of Work
Anchorage-MatSu

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	112,750	111,400	118,350	1,350	-5,600
Mining	3,350	3,350	3,600	0	-250
Construction	8,050	7,050	8,600	1,000	-550
Manufacturing	2,950	2,600	2,950	350	0
Trans. Comm. & Utilities	10,350	10,000	10,450	350	-100
Trade	26,300	26,000	28,300	300	-2,000
Finance-Ins. & R.E.	8,400	8,350	9,000	50	-600
Services & Misc.	25,300	24,950	27,050	350	-1,750
Government	28,050	29,100	28,400	-1,050	-350

Increasing oil prices the last few months have many Alaskans beginning to anticipate a turnaround in Alaska's economy. Recent developments suggest there is reason for optimism. The major oil companies announced plans to increase exploration and development efforts as a result of the higher price of oil. Employment increases in the oil industry or oil industry related construction was not evident in June but may appear later this year. In addition to speculation about the oil companies plans there is some expectation that the higher price for oil will result in greater state government spending.

The state budget has been determined for the upcoming year and cuts in spending will have a direct effect in less state employment and less capital projects than past years. Should the price of oil remain in the $18+ per barrel range, some indirect effects may be alleviated as peoples expectations about next year change. Even in the $18 per barrel range the additional revenues do not allow much of an increase in the state's future budgets.

It is too early to determine if renewed confidence is warranted. The recent price of oil is not justified by supply and demand. Oil remains plentiful with stocks relatively high and OPEC exceeding its production quotas.

The current market situation is impacted by the concern of U.S. involvement in the Middle East. The spot market has seldom been a good indicator of future prices in situations like the present one and in the past OPEC has only been successful in setting the price of oil when the political situation or markets have allowed.

When examining the economic factors that affect oil prices there is reason to assume a price less than the current $20 per barrel. Because of the politics surrounding oil any forecast of the long term price of oil is difficult. Therefore, as the price of oil fluctuates the state will continue to budget conservatively.

Other industries continue to be impacted by major declines in construction activity and Alaska's weak economic condition. Construction responded to seasonal factors as heavy construction (highway, street, and utility construction) and general construction (residential and commercial buildings) were up strong over the month. Average weekly hours were up in all segments of construction but highway and street had the most marked increase in hours worked (Table 8).

The surprise was the increase in residential construction employment given the depressed housing market. However, residential construction employment was still the lowest since pre-pipeline days and overall con-

struction employment has not been this low in June since 1980.

Gains in employment construction around the state were mixed. Gains over-the-month were concentrated in Anchorage (13.2%), Fairbanks (29.1%), and the Southwest Region (21.7%). The Southeast Region had a small gain (4.5%) while the Gulf Coast and Northern Regions had over-the-month losses in construction employment.

The poor seasonal showing in the transportation industry is a combination of the weak seasonal increase in construction and the general weak economy. Water transportation employment is up in the Southeast as a result of the strong timber industry but down elsewhere as construction remains in a depressed state. The over-the-year gain in the air transportation sector is a combination of a strong tourist season in Anchorage and a gradual increase in employment from other airlines to replace losses due to Wein Airlines closing in late 1985.

The over-the-year weakness in trade, services, and finance-insurance and real estate are no longer restricted to the decline in construction. Concern about the economy and the impact of a smaller state budget have firms reducing employment (food stores, banks, and motion pictures and educational services for example) at the same time that seasonal increases are seen in other industries (hotels, eating and drinking places, and tourist related services).

Some secondary industries are benefiting from the poor economic conditions. Auto repair employment has remained strong while auto dealers employment has fallen, as people forgo the purchase of new automobiles. These gains would be stronger were it not for the loss in population and income.

The biggest over-the-month losses were in government as local schools and Alaska's university system reduced their staff for the summer season. This is an annual ritual and is consistent with past trends. Because school teachers are considered employed through the summer, over-

Table 4
Nonagricultural Wage and Salary Employment
By Place of Work
Fairbanks

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	27,200	26,700	28,600	500	-1,400
Mining	150	100	100	50	50
Construction	1,800	1,400	2,000	400	-200
Manufacturing	650	600	650	50	0
Trans. Comm. & Utilities	2,850	2,700	2,950	150	-100
Trucking & Whseing.	400	400	400	0	0
Air Transportation	1,050	950	1,000	100	50
Other Trans. Comm. & Utilities	1,400	1,350	1,550	50	-150
Trade	5,950	5,750	6,400	200	-450
Wholesale	900	900	1,000	0	-100
Retail	5,050	4,850	5,400	200	-350
Gen. Mer. & Apparel	550	500	550	50	0
Food Stores	700	750	750	-50	-50
Other Retail Trade	3,800	3,600	4,100	200	-300
Finance-Ins. & R.E.	1,050	1,000	1,150	50	-100
Services & Misc.	5,900	5,700	6,200	200	-300
Government	8,850	9,450	9,150	-600	-300
Federal	3,100	3,000	3,000	100	100
State	3,250	3,700	3,450	-450	-200
Local	2,500	2,750	2,700	-250	-200

Table 5
Nonagricultural Wage and Salary Employment
By Place of Work
Interior

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	31,400	31,000	33,000	400	-1,600
Mining	300	250	250	50	50
Construction	2,000	1,550	2,250	450	-250
Manufacturing	650	650	650	0	0
Trans. Comm. & Utilities	3,200	3,050	3,250	150	-50
Trade	6,350	6,050	6,850	300	-500
Finance-Ins. & R.E.	1,100	1,100	1,200	0	-100
Services & Misc.	6,500	6,250	6,850	250	-350
Government	11,300	12,100	11,700	-800	-400

Table 6
Nonagricultural Wage and Salary Employment
By Place of Work
Southeast Alaska

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	29,600	28,550	31,050	1,050	-1,450
Construction	1,150	1,100	1,300	50	-150
Manufacturing	4,350	3,950	4,300	400	50
Food & Kindred Prod.	1,150	950	1,200	200	-50
Lumber & Paper Prod.	3,000	2,800	2,900	200	100
All Other Mfg.	200	200	200	0	0
Trans. Comm. & Utilities	2,550	2,150	2,550	400	0
Trade	4,700	4,350	4,850	350	-150
Wholesale	350	350	350	0	0
Retail	4,350	4,000	4,500	350	-150
Finance-Ins. & R.E.	1,250	1,100	1,300	150	-50
Mining, Services & Misc.	4,450	4,350	4,750	100	-300
Government	11,150	11,550	12,000	-400	-850
Federal	2,200	2,050	2,200	150	0
State	5,050	5,200	5,550	-150	-500
Local	3,900	4,300	4,250	-400	-350

Table 7
Nonagricultural Wage and Salary Employment
By Place of Work
Gulf Coast

	p/ 6/87	r/ 5/87	6/86	Changes From: 5/87	6/86
Nonag. Wage & Salary	20,800	20,250	21,350	550	-550
Mining	850	850	950	0	-100
Construction	1,000	1,000	1,400	0	-400
Manufacturing	4,100	3,850	3,850	250	250
Food & Kindred Prod.	3,500	3,250	3,250	250	250
All Other Mfg.	600	600	600	0	0
Trans. Comm. & Utilities	1,450	1,400	1,400	50	50
Trade	3,850	3,550	3,900	300	-50
Wholesale	650	600	650	50	0
Retail	3,200	2,950	3,250	250	-50
Finance-Ins. & R.E.	650	650	700	0	-50
Services & Misc.	3,600	3,450	3,600	150	0
Government	5,300	5,500	5,550	-200	-250
Federal	700	650	650	50	50
State	1,550	1,550	1,650	0	-100
Local	3,050	3,300	3,250	-250	-200

the-year losses in educational employment will not appear until the fall numbers are available. With reduced state funding and declines in population there will probably be a year-to-year loss that is not reflected in the current statistics.

Conclusion

Despite all its problems there are a number of positive factors that have increased optimism about Alaska's economic future. The timber industry has recovered and continues to expand slowly. The fishing industry is in perhaps its best condition in years with low inventories, an increasing bottomfish industry, slow recovery of the shellfish industry, and an expanding worldwide market for seafood. The metal mining industry is recovering rapidly as mineral prices improve. With relatively high prices for oil, the oil industry is showing renewed interest in exploration and development in Alaska and the state's expected revenue picture has improved.

Alaska's economy, however, is still dominated by the oil industry. The oil industry has accounted for more construction spending in the 1980s than any other industry, including state government. The state's spending is determined by both the price of oil and the levels of production, a factor of oil field development. If the oil companies increase exploration and development efforts and Alaska's state government maintains or increases the current spending levels the worse may be behind us.

That's a big if. The current price of oil is based on mounting tensions in the Persian Gulf, not on the underlying economic factors that in the long run determine the price of most commodities. Keep in mind that the people who are now predicting $20/barrel oil are the same prognosticators who were predicting oil under $10/barrel just months ago. Until there is evidence that OPEC can maintain their market control in a less politicized market, both the oil companies and the state government's spending will increase cautiously.

Table 8
Alaska Hours and Earnings for Selected Industries 1/ 2/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	P/ 6/87	R/ 5/87	6/86	P/ 6/87	R/ 5/87	6/86	P/ 6/87	R/ 5/87	6/86
Mining	1,129.45	1,143.87	1,081.02	49.0	48.8	50.8	23.05	23.44	21.28
Construction	1,033.06	979.65	1,056.24	42.2	40.7	43.2	24.48	24.07	24.45
Manufacturing	455.87	462.01	469.13	41.9	42.7	37.5	10.88	10.82	12.51
Food & Kindred Prod	330.01	303.88	269.55	41.2	41.4	31.6	8.01	7.34	8.53
Lumber & Paper Prod	661.62	718.26	817.02	45.1	48.4	51.0	14.67	14.84	16.02
Trans., Comm. & Utilities	550.61	555.93	578.03	35.5	35.5	36.7	15.51	15.66	15.75
Trade	371.35	369.51	382.36	34.1	33.5	34.2	10.89	11.03	11.18
Wholesale	506.91	492.38	510.68	37.3	36.5	37.8	13.59	13.49	13.51
Retail	324.39	327.60	337.26	33.0	32.5	33.0	9.83	10.08	10.22
Finance-Ins. & R.E	387.29	384.42	396.97	32.6	32.8	34.7	11.88	11.72	11.44

1/ Prepared in cooperation with the Bureau of Labor Statistics US Department of Labor

2/ excludes eating and drinking establishments

AVERAGE HOURS AND EARNINGS SERIES: Averages are based on data for full and part time production workers (manufacturing) and nonsupervisory workers (nonmanufacturing) and are for gross earnings and hours paid, including overtime pay and hours.

Table 9
Labor Force By Region and Census Area

	Labor Force			Unemployment			Rate			Employment		
	P/ 6/87	R/ 5/87	6/86	P/ 6/87	R/ 5/87	6/86	P/ 6/87	R/ 5/87	6/86	P/ 6/87	R/ 5/87	6/86
Alaska Statewide	260,401	259,350	265,662	29,152	28,639	28,976	11.2	11.0	10.9	231,249	230,711	236,686
Anch.-MatSu Region	136,543	137,178	140,642	13,466	13,599	13,789	9.9	9.9	9.8	123,077	123,579	126,853
Anchorage Borough	120,085	120,778	123,472	10,387	10,521	10,579	8.6	8.8	8.6	109,698	110,157	112,893
MatSu Borough	16,458	16,400	17,170	3,079	2,978	3,210	18.7	18.2	18.7	13,379	13,422	13,960
Gulf Coast Region	28,727	28,229	29,009	3,795	3,619	3,971	13.2	12.8	13.7	24,932	24,610	25,038
Kenai Peninsula Bor.	17,773	17,468	18,097	2,897	2,784	3,158	16.3	15.9	17.5	14,876	14,684	14,939
Kodiak Island Bor.	6,718	6,542	6,753	505	409	514	7.5	6.3	7.6	6,213	6,133	6,239
Valdez-Cordova	4,236	4,219	4,159	393	426	299	9.3	10.1	7.2	3,843	3,793	3,860
Interior Region	40,186	40,205	40,729	6,031	6,047	5,706	15.0	15.0	14.0	34,155	34,158	35,023
Fairbanks North Star Br	34,564	34,596	35,298	4,907	4,936	4,888	14.2	14.3	13.8	29,657	29,660	30,410
Southeast Fairbanks	2,358	2,377	2,324	367	386	282	15.6	16.2	12.1	1,991	1,991	2,042
Yukon-Koyukuk	3,264	3,232	3,107	757	725	536	23.2	22.4	17.3	2,507	2,507	2,571
Northern Region	8,214	8,031	7,960	1,326	1,099	1,105	16.1	13.7	13.9	6,888	6,932	6,855
Nome	3,178	3,126	3,124	562	493	520	17.7	15.8	16.6	2,616	2,633	2,604
North Slope Borough	2,784	2,757	2,712	249	206	190	8.9	7.5	7.0	2,535	2,551	2,522
Northwest Arctic Bor.	2,252	2,148	2,124	515	400	395	22.9	18.6	18.6	1,737	1,748	1,729
Southeast Region	34,311	33,663	35,209	3,088	3,092	3,216	9.0	9.2	9.1	31,223	30,571	31,993
Haines Borough	944	929	941	101	103	77	10.7	11.1	8.2	843	826	864
Juneau Borough	14,882	14,601	15,460	1,045	1,053	1,280	7.0	7.2	8.3	13,837	13,548	14,180
Ketchikan Gateway Br	6,979	6,823	7,114	690	665	670	9.9	9.7	9.4	6,289	6,158	6,444
Pr. of Wales-Outer Ktch.	2,503	2,438	2,529	372	352	346	14.9	14.4	13.7	2,131	2,086	2,183
Sitka Borough	4,047	3,988	4,130	327	346	319	8.1	8.7	7.7	3,720	3,642	3,811
Skagway-Yakutat-Ang.	1,504	1,501	1,557	168	193	188	11.2	12.9	12.1	1,336	1,308	1,369
Wrangell-Petersburg	3,452	3,383	3,478	385	380	336	11.2	11.2	9.7	3,067	3,003	3,142
Southwest Region	12,420	12,044	12,113	1,446	1,183	1,189	11.6	9.8	9.8	10,974	10,861	10,924
Aleutian Islands	3,081	3,033	3,027	150	132	109	4.9	4.4	3.6	2,931	2,901	2,918
Bethel	5,088	4,872	4,996	733	562	661	14.4	11.5	13.2	4,355	4,310	4,335
Bristol Bay Borough	446	446	436	28	32	20	6.3	7.2	4.6	418	414	416
Dillingham	2,182	2,154	2,097	241	233	165	11.0	10.8	7.9	1,941	1,921	1,932
Wade Hampton	1,623	1,539	1,557	294	224	234	18.1	14.6	15.0	1,329	1,315	1,323

P/ Preliminary R/ Revised 1986 Benchmark

Federal guidelines require the use of unrounded labor force data, adjusted to be consistent with the Current Population Survey (CPS) in formulas used to allocate federal funds. Comparisons between different time periods are not as meaningful as other time series published by the Alaska Department of Labor; because Alaska's CPS sample size is inadequate to accurately indicate monthly changes in level. The sampling errors are random in nature; meaning that the unemployment rates, in any given month, are as likely to be high as frequently as they are low. The official definitions of unemployment, currently in place, exclude anyone who has made no attempt to find work in the four week period up to and including the week that includes the twelfth of each month. Most economists feel that Alaska's rural localities have proportionately more of these discouraged workers.

ALASKA ECONOMIC TRENDS
ALASKA DEPARTMENT OF LABOR
EMPLOYMENT SECURITY DIVISION
PO BOX 3-7000
JUNEAU, ALASKA 99802

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